LOUISIANA TRANSPORTATION AUTHORITY

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

A COMPONENT UNIT OF THE STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Financial Statement Audit for the
Years Ended June 30, 2024, and June 30, 2023
Issued November 27, 2024

LOUISIANA LEGISLATIVE AUDITOR

LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.lla.la.gov. When contacting the office, you may refer to Agency ID No. 7406 or Report ID No. 80240079 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of $0.88. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

TABLE OF CONTENTS

Office of Management and Finance
Financial Services
PO Box 94245 | Baton Rouge, LA 70804-9245
ph: 225-379-1645 | fx: 225-379-1759

Jeff Landry, Governor
Joe Donahue, Secretary

November 26, 2024

Board of Directors, Louisiana Transportation Authority
Senator Mark Abraham, Chairman, Louisiana Transportation Authority

The Louisiana Department of Transportation and Development, on behalf of the Louisiana Transportation Authority (LTA), is pleased to submit its Annual Financial Report for the fiscal years ended June 30, 2024, and June 30, 2023. LTA's management is responsible for the accuracy and completeness of all data and disclosures in this report. To the best of our knowledge, the information presented is accurate and complete in all material respects and fairly depicts the financial activities and position of the LTA.

This report consists of the letter of transmittal, Management's Discussion and Analysis, and the financial statements with accompanying notes.

The LTA is committed to providing thorough and relevant financial information to the users of its financial statements. The preparation of the Annual Financial Report reflects our commitment.

Sincerely,

Lesha C. Woods

Lesha C. Woods, MBA, CGFM, CGFO
Financial Services Administrator

LOUISIANA LEGISLATIVE AUDITOR

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

November 26, 2024

Independent Auditor's Report

LOUISIANA TRANSPORTATION AUTHORITY
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
STATE OF LOUISIANA
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Louisiana Transportation Authority (Authority), a component unit of the state of Louisiana, as of and for the years ended June 30, 2024, and June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of June 30, 2024, and June 30, 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United

States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently-known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Letter of Transmittal but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

LMN:RR:BQD:ch

LTA 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of the Louisiana Transportation Authority's (LTA) financial performance presents a narrative overview and analysis of LTA's financial activities for the years ended June 30, 2024, and June 30, 2023. This document focuses on the current-year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the additional information contained in LTA's financial statements.

FINANCIAL HIGHLIGHTS

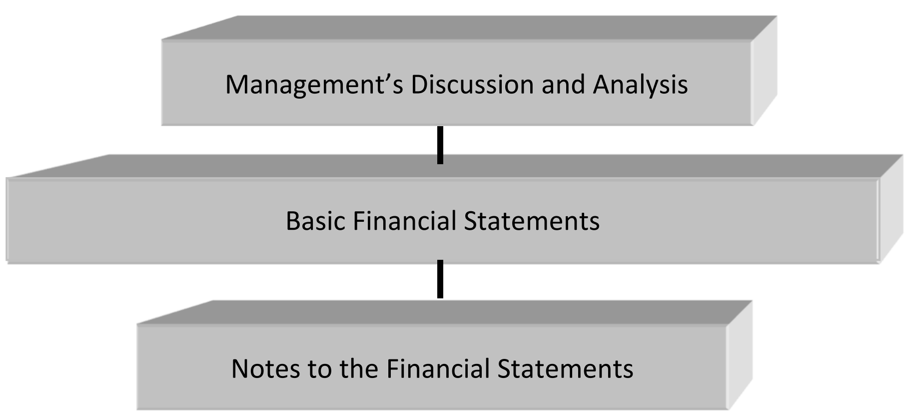
- LTA's operating revenue increased in fiscal year 2024 to $6,034,834 from fiscal year 2023's revenue total of $4,660,555. The net position of LTA has decreased by $5,980,302. The primary reason is due to the depreciation of capital assets.

- LTA's assets and deferred outflows exceeded liabilities at the close of fiscal year 2024 by $83,945,697. The noncurrent assets decreased by $9,126,284, or 3.6%. The primary reason is due to the depreciation of capital assets.

- LTA's net position decreased in fiscal year 2023 to $89,925,999 from fiscal year 2022 of $96,485,069. The primary reason was due to the depreciation of capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements, and the notes to the financial statements.

Basic Financial Statements

The basic financial statements present information for LTA as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (page 13) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of LTA is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (page 14) presents information showing how LTA's net position changed as a result of current-year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 15-16) presents information showing how LTA's cash changed as a result of current-year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method), as required by GASB Statement 34.

Major Event Affecting Operations and Revenue

A Category 4 hurricane affected fiscal year 2022 and fiscal year 2023 revenue. Hurricane Ida landed in Grand Isle, Louisiana, on August 29, 2021, causing widespread damage and loss of power to the area. The toll booth, toll gantry, and customer service center building sustained water damage. As a result, all tolling operations, manual collections, and invoicing were idle from August 28, 2021, through September 5, 2022. This was primarily due to supply chain and contractor labor shortages occurring in the aftermath of the storm.

The extended interruption in tolling operations resulted in a sharp decline in revenue. LTA utilized business interruption insurance to offset the loss of revenue. Insurance proceeds collected by LTA in fiscal year 2023 totaled $793,580 and covered losses for the period of July 1, 2022, through August 28, 2022.

Toll operations resumed in fiscal year 2023; therefore, business interruption insurance was unavailable in fiscal year 2024.

FINANCIAL ANALYSIS

Statement of Net Position
June 30, 2024, 2023, and 2022

	2024	2023	2022
Noncurrent restricted cash	$646,475	$32,746	$32,070
Noncurrent restricted assets - investments	33,818	15,268	14,299
Noncurrent restricted assets - receivables	350,665	248,941	
Noncurrent restricted due from other entities	91,742	524,154	1,153,564
Noncurrent capital assets	245,042,337	254,470,212	263,898,085
Total assets	246,165,037	255,291,321	265,098,018
Total deferred outflows of resources	777,427	818,344	859,262
Current liabilities	6,166,767	4,633,666	4,762,211
Noncurrent liabilities - bonds payable, net	156,830,000	161,550,000	164,710,000
Total liabilities	162,996,767	166,183,666	169,472,211
Net position:			
Net investment in capital assets	84,269,764	90,578,556	97,937,347
Unrestricted	(324,067)	(652,557)	(1,452,278)
Total net position	$83,945,697	$89,925,999	$96,485,069

Restricted assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted assets are those that do not have any limitations on how these amounts may be spent. Noncurrent assets of LTA decreased by $9,126,284 from June 30, 2023, to June 30, 2024. The primary reason is due to the depreciation of capital assets.

The refunding of the Series 2013A Bonds in fiscal year 2021 resulted in an accounting loss and will be systematically recognized over the life of the new debt. The accounting loss is recognized as deferred outflows of resources in the amount of $777,427 for fiscal year 2024, a decrease of $40,917 from fiscal year 2023.

Changes in Net Position

The change in net position for the year ended June 30, 2024, is $578,768, or 9% less than the change in net position for the year ended June 30, 2023. These changes are primarily due to the increase in operating revenues and the decrease in net transfers in and out from fiscal year 2023 to fiscal year 2024. Operating revenue rose 29% in fiscal year 2024. Due to storm recovery, toll activity was extremely low for the first two months of the prior fiscal year. Net transfers in and transfers out decreased by $1,029,377 (48%) for fiscal year 2024.

Statement of Revenues, Expenses, and Changes in Net Position
For the years ended June 30, 2024, 2023, and 2022

	2024	2023	2022
Operating revenues	$6,034,834	$4,660,555	$4,354,653
Operating expenses	(9,445,924)	(9,461,923)	(9,459,552)
Operating loss	(3,411,090)	(4,801,368)	(5,104,899)
Non-operating revenues	224,238	94,680	2,653
Non-operating expenses	(3,910,253)	(3,998,562)	(4,011,310)
Loss before transfers	(7,097,105)	(8,705,250)	(9,113,556)
Transfers in	7,092,431	6,126,631	6,160,283
Transfers out	(5,975,628)	(3,980,451)	(4,930,308)
Net decrease in net position	($5,980,302)	($6,559,070)	($7,883,581)

In 2024, LTA's total operating revenues increased by $1,374,279. The total cost of all programs and services decreased by $104,308.

In 2023, LTA's total operating revenues increased by $305,902. The total cost of all programs and services decreased by $10,377.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024, LTA had $245,042,337 invested in capital assets. This amount represents a net decrease of $9,427,875 (3.70%) from fiscal year 2023. Respectively, at the end of fiscal year 2023, LTA had $254,470,212 invested in capital assets with a $9,427,873 (3.57%) net decrease from fiscal year 2022.

	2024	2023	2022
Buildings and improvements	$556,093	$578,337	$600,581
Infrastructure	244,486,244	253,891,875	263,297,504
Totals	$245,042,337	$254,470,212	$263,898,085

Debt Administration

On November 14, 2013, LTA issued $51,530,000 of Louisiana Transportation Authority Refunding Bonds, Series 2013A for the purpose of providing funds, together with other available funds including a portion of TIFIA bonds (described below), to currently refund LTA's LA 1 Project Senior Lien Toll Revenue Bonds, Series 2005A and LTA's LA 1 Project Senior Lien Toll Revenue Capital Appreciation Bonds, Series 2005B.

Simultaneously, with the issuance of these bonds, LTA issued its LA 1 Project TIFIA Bonds, Series 2013B ($78,000,000) and LA 1 Project TIFIA Bonds, Series 2013C ($44,000,000), (collectively, the "TIFIA Bonds") for the purpose of providing funds to currently refund the outstanding principal amount of its Series 2005 TIFIA Bonds, and a portion of the Senior Bonds described above, and paying the cost of issuance of the TIFIA Bonds.

On January 28, 2021, LTA issued $54,275,000 of Louisiana Transportation Authority Refunding Bonds, Series 2021A, for the purpose of an advance refunding of LTA's Series 2013A Refunding Bonds and paying the cost of issuance of the Series 2021A Bonds.

On January 28, 2021, LTA amended the Cooperative Endeavor Agreement with the state of Louisiana that was entered into on November 6, 2013, and amended on November 13, 2013. Subject to appropriation through the Commissioner of Administration, the state of Louisiana will make payments to LTA in an amount sufficient to pay the principal, premium, and interest on the bonds. LTA has agreed to reimburse the state, as provided by a pledge agreement, to the extent funds are available. All toll revenue is pledged to the payment of the debt. LTA had $161,550,000 in bonds and notes outstanding at year-end, compared to $164,710,000 last year, a decrease of $3,160,000 as shown in the accompanying table. No new debt was issued in fiscal year 2024.

The Refunding Bonds, Series 2021A, are limited and special revenue obligation bonds. The TIFIA Series 2013B and Series 2013C Bonds are bonds that fall within the description of a direct placement as these bonds were not available to the public for purchase. Subsequently, the TIFIA bonds are reported separately from the Series 2021A Refunding Bonds. LTA has an outstanding limited and special revenue obligation bond and two bonds from direct placements related to business-type activities totaling $53,785,000 and $107,765,000, respectively. LTA does not have any unused lines of credit or assets pledged as collateral for debt.

As of June 30, 2024, Fitch rated the Series 2021A Bonds as A+, and Moody's rated the bonds as Aa3. LTA has no outstanding claims or judgments and is not a party to any public-private or public-public partnerships nor any subscription-based information technology arrangements at fiscal year-end.

Outstanding Debt at Year-end

	2024	2023	2022
Direct Placement Bonds	$107,765,000	$110,435,000	$112,545,000
Limited and Special Revenue Obligation Bonds	53,785,000	54,275,000	54,275,000
	$161,550,000	$164,710,000	$166,820,000

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

LTA does not adopt a formal budget on a fiscal-year basis.

ECONOMIC FACTORS AND RATES

LTA's elected and appointed officials considered the following factors and indicators when setting rates and fees:

- Increase in debt service payments
- Increase in administrative expenses

LTA expects that next year's results will be consistent with prior years based on the following:

- In fiscal year 2024, the actual operating revenues of $6 million were 15% lower than the required debt service payment. The toll collections in fiscal year 2024 did not provide sufficient revenues to reimburse the state in full for debt payments made on LTA's behalf, as stipulated by the Cooperative Endeavor Agreement. For fiscal year 2025, LTA anticipates that collections will not fully reimburse the state.

CONTACTING LTA'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of LTA's finances and show LTA's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Lesha C. Woods, Financial Services Administrator, Louisiana Department of Transportation and Development, P.O. Box 94245, Baton Rouge, LA 70804-9245.

LOUISIANA TRANSPORTATION AUTHORITY
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
STATE OF LOUISIANA

Statement of Net Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Noncurrent assets:		
Restricted assets:		
Cash (note 2)	$646,475	$32,746
Investments (note 3)	33,818	15,268
Accounts receivable, net (note 4)	350,665	248,941
Due from other entities (note 8)	91,742	524,154
Capital assets, net (note 5)	245,042,337	254,470,212
Total assets	246,165,037	255,291,321
DEFERRED OUTFLOWS OF RESOURCES	777,427	818,344
LIABILITIES		
Current liabilities:		
Due to other entities (note 8)	6,972	939
Accrued interest on bonds payable	1,439,795	1,472,727
Bonds payable, net (note 6)	4,720,000	3,160,000
Total current liabilities	6,166,767	4,633,666
Noncurrent liabilities:		
Bonds payable, net (note 6)	156,830,000	161,550,000
Total liabilities	162,996,767	166,183,666
NET POSITION		
Net investment in capital assets	84,269,764	90,578,556
Unrestricted	(324,067)	(652,557)
Total net position	$83,945,697	$89,925,999

The accompanying notes are an integral part of this statement.

LOUISIANA TRANSPORTATION AUTHORITY
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
STATE OF LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Toll fees	$6,034,834	$3,866,975
Business interruption insurance proceeds		793,580
Total operating revenues	6,034,834	4,660,555
OPERATING EXPENSES		
Administrative expenses	(18,050)	(34,050)
Depreciation (note 5)	(9,427,874)	(9,427,873)
Total operating expenses	(9,445,924)	(9,461,923)
OPERATING LOSS	(3,411,090)	(4,801,368)
NONOPERATING REVENUES (Expenses)		
Interest expense	(3,910,253)	(3,998,562)
Other revenue - interest income	224,238	94,680
Total nonoperating revenues (expenses)	(3,686,015)	(3,903,882)
LOSS BEFORE TRANSFERS	(7,097,105)	(8,705,250)
Transfers in from State of Louisiana (note 9)	7,092,431	6,126,631
Transfers out to State of Louisiana (note 9)	(5,975,628)	(3,980,451)
Total transfers	1,116,803	2,146,180
CHANGE IN NET POSITION	(5,980,302)	(6,559,070)
NET POSITION AT BEGINNING OF YEAR	89,925,999	96,485,069
NET POSITION AT END OF YEAR	$83,945,697	$89,925,999

The accompanying notes are an integral part of this statement.

LOUISIANA TRANSPORTATION AUTHORITY
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
STATE OF LOUISIANA

Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$6,371,555	$3,095,905
Business interruption insurance proceeds		1,944,380
Cash payments to suppliers for goods or services	(18,050)	(34,050)
Net cash provided by operating activities	6,353,505	5,006,235
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers in	7,092,431	6,126,631
Transfers out	(5,975,628)	(5,131,251)
Net cash provided by non-capital financing activities	1,116,803	995,380
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid on bonds	(3,160,000)	(2,110,000)
Interest paid on bond maturities	(3,902,268)	(3,984,650)
Net cash used by capital and related financing activities	(7,062,268)	(6,094,650)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investment securities	(12,514,128)	(13,370,920)
Proceeds from sale of investment securities	12,495,579	13,369,951
Interest and dividends earned on investment securities	224,238	94,680
Net cash provided by investing activities	205,689	93,711
NET INCREASE IN CASH	613,729	676
CASH AT BEGINNING OF YEAR	32,746	32,070
CASH AT END OF YEAR	$646,475	$32,746

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA TRANSPORTATION AUTHORITY
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
STATE OF LOUISIANA

Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	($3,411,090)	($4,801,368)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	9,427,874	9,427,873
(Increase) in accounts receivable	(101,724)	(248,941)
Decrease in due from other funds	432,412	629,410
Increase (Decrease) in due to other funds	6,033	(739)
Total adjustments	9,764,595	9,807,603
Net cash provided by operating activities	$6,353,505	$5,006,235

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Louisiana Transportation Authority (Authority) is a public corporation within the Department of Transportation and Development (DOTD) of the state of Louisiana. The Louisiana Legislature created the Authority pursuant to Louisiana Revised Statutes 48:2071 – 48:2083 for the purpose of pursuing alternative and innovative funding sources including, but not limited to public/private partnerships, tolls, and unclaimed property bonds, to supplement public revenue sources and to improve Louisiana’s transportation system. The Authority is governed by nine directors who shall be the governing body of the Authority with full power to promulgate rules and regulations for the maintenance and operation of the Authority, subject to the approval of the House and Senate committees on Transportation, Highways, and Public Works. In accordance with the provisions of the revised statutes, the Authority has the power to issue bonds for any purpose of the Authority and to pledge revenues for the payment of the principal and interest of such bonds. The Authority has no taxing power.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally-accepted accounting principles for state and local governments. The accompanying financial statements have been prepared on the full accrual basis in accordance with such principles.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the state of Louisiana. The Authority is considered a component unit blended as an enterprise fund of the state of Louisiana because the nine Authority directors are either members of the legislature or are appointed by the governor, and the state is able to impose its will on the Authority through its oversight responsibility. The accompanying financial statements present only the activity of the Authority. Annually, the state of Louisiana issues basic financial statements that include the activity contained in the accompanying financial statements. The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy

(OSRAP). These basic financial statements are audited by the Louisiana Legislative Auditor.

C. FUND ACCOUNTING

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position.

Revenues are recognized in the accounting period when they are earned, and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. BUDGET PRACTICES

The Authority does not adopt a formal budget on a fiscal basis.

F. CASH AND INVESTMENTS

Cash includes amounts on deposit with the fiscal agent bank and an imprest account. Investments include amounts invested in money market funds. The Authority considers all highly-liquid investments and deposits with a maturity of three months or less when purchased to be cash equivalents. Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Trust Indenture dated November 1, 2013, and supplemented January 1, 2021, authorizes the trustee, as directed by the Authority, to invest in direct United States Treasury obligations of which the principal and interest are guaranteed by the United States government; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America or by U.S. government instrumentalities, which are federally sponsored; and mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of, and limited to, securities of the U.S. government or its agencies.

Investments that are externally restricted to make debt service payments, to maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets are reported as restricted investments.

G. CAPITAL ASSETS

The Authority follows the capitalization policies established by OSRAP. Buildings and infrastructure assets have a capitalization threshold of $100,000 and $3 million, respectively, and are capitalized and depreciated using the straight-line method over 40 years. Construction-in-progress is not depreciated.

H. COMPENSATED ABSENCES, PENSION BENEFITS, AND POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Authority has no employees. DOTD employees perform the administrative and accounting functions for the Authority. Therefore, no compensated absences, pension benefits, or post-employment benefits are provided by the Authority.

I. NONCURRENT LIABILITIES

In accordance with GASB, bond issuance costs are expensed in the period incurred. Bond premium and discounts are amortized over the life of the bonds using the effective interest-rate method.

J. NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses, and contributions of capital. Net position is generally classified in the following three components:

- <u>Net investment in capital assets</u> consists of all capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense toward restricted resources, then toward unrestricted resources.

K. USE OF ESTIMATES

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions about amounts reported in the financial statements. Actual results could differ from those estimates.

2. CASH

As reflected on Statement A, the Authority has cash (book balances) totaling $646,475 at June 30, 2024, and $32,746 at June 30, 2023. Under state law, demand deposits with financial institutions must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledge securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent. GASB Statement 40, which altered GASB Statement 3, excluded the disclosure requirement to publish all deposits by three categories of risk. An entity's deposits may pose a custodial credit risk if the deposit balance is not covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The Authority had deposits (collected bank balances) of $646,842 secured by $250,000 of federal deposit insurance and $396,842 of pledged securities owned by the fiscal agent bank at June 30, 2024. The deposits of $53,959 were fully secured by federal deposit insurance at June 30, 2023.

3. INVESTMENTS

At June 30, 2024, the Authority has investments stated at cost, which approximates market, totaling $33,818, which are composed of money market mutual funds that consist of shares in investments in direct obligations of the U.S. Department of the Treasury including Treasury bills, bonds, notes, and other obligations issued or guaranteed by the U.S. Treasury. The Authority holds investments in one Goldman Sachs Financial Square Fund. The Goldman Sachs Financial Square Government Fund is rated Aaa-mf by Moody's Investors Service and AAAm by Standard and Poor's. These investments are reflected as restricted assets in the Statement of Net Position.

At June 30, 2023, the Authority had investments stated at cost, which approximated market, totaling $15,268, which were composed of money market mutual funds that consisted of shares in investments in direct obligations of the U.S. Department of the Treasury including Treasury bills, bonds, notes, and other obligations issued or guaranteed by the U.S. Treasury. The Authority held investments across two Goldman Sachs Financial Square Funds. The Goldman Sachs Financial Square Treasury Instruments Fund was rated Aaa-mf by Moody's Investors Service and AAAm by Standard and Poor's. The Goldman Sachs Financial Square Government Fund was rated Aaa-mf by Moody's Investors Service and AAAm by Standard and Poor's. These investments were reflected as restricted assets in the Statement of Net Position.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At year-end, June 30, 2024, and June 30, 2023, the Authority limited credit risk by investing in obligations explicitly guaranteed by the U.S. Treasury.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. No investments were held at June 30, 2024, or June 30, 2023, that required concentration of credit risk disclosure.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority has no policies to limit its interest rate risk. No investments were held at June 30, 2024, or June 30, 2023, that required interest rate risk disclosure.

4. ACCOUNTS RECEIVABLE, RESTRICTED

The Authority has accounts receivable of $350,665 and $248,941 at June 30, 2024, and June 30, 2023, respectively, all of which are for tolls (net of the allowance for doubtful accounts of $1,108,283 and $803,097, respectively). These amounts were earned by the Authority before the year-end but not expected to be received until after the applicable year-end.

For fiscal year 2024 and 2023, allowance for doubtful accounts is the difference between all invoiced violations zero to 180 days old and the Authority's estimate of collectible accounts. Violation receivables older than 180 days are deemed uncollectible. The estimate of collectible accounts is based on collections of prior-year's violations and the Authority's ability to collect aged accounts receivable.

5. CAPITAL ASSETS

The capital assets are included on the Statement of Net Position and are capitalized at cost. Depreciation of all exhaustible capital assets used by the entity is charged as an expense against operations. Depreciation is computed by the straight-line method over the useful lives of the assets.

A summary of changes in capital assets follows:

	Balance June 30, 2023	Prior Period Adjustments	Adjusted Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not depreciated:						
Construction-in-progress	NONE					NONE
Total capital assets not depreciated	NONE	NONE	NONE	NONE	NONE	NONE
Other capital assets:						
Buildings	$889,750		$889,750			$889,750
Less accumulated depreciation	(311,413)		(311,413)	($22,244)		(333,657)
Total buildings	578,337		578,337	(22,244)		556,093
Infrastructure	375,781,015		375,781,015			375,781,015
Less accumulated depreciation	(121,889,140)	($1)	(121,889,141)	(9,405,630)		(131,294,771)
Total infrastructure	253,891,875	(1)	253,891,874	(9,405,630)		244,486,244
Total other capital assets	$254,470,212	($1)	$254,470,211	($9,427,874)	NONE	$245,042,337
Capital asset summary:						
Capital assets not depreciated	NONE					NONE
Other capital assets, book value	$376,670,765		$376,670,765			$376,670,765
Total cost of capital assets	376,670,765		376,670,765			376,670,765
Less accumulated depreciation	(122,200,553)	($1)	(122,200,554)	($9,427,874)		(131,628,428)
Capital assets, net	$254,470,212	($1)	$254,470,211	($9,427,874)	NONE	$245,042,337

	Balance June 30, 2022	Prior Period Adjustments	Adjusted Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not depreciated:						
Construction-in-progress	NONE					NONE
Total capital assets not depreciated	NONE	NONE	NONE	NONE	NONE	NONE
Other capital assets:						
Buildings	$889,750		$889,750			$889,750
Less accumulated depreciation	(289,169)		(289,169)	($22,244)		(311,413)
Total buildings	600,581		600,581	(22,244)		578,337
Infrastructure	375,781,015		375,781,015			375,781,015
Less accumulated depreciation	(112,483,511)		(112,483,511)	(9,405,629)		(121,889,140)
Total infrastructure	263,297,504		263,297,504	(9,405,629)		253,891,875
Total other capital assets	$263,898,085	NONE	$263,898,085	($9,427,873)	NONE	$254,470,212
Capital asset summary:						
Capital assets not depreciated	NONE					NONE
Other capital assets, book value	$376,670,765		$376,670,765			$376,670,765
Total cost of capital assets	376,670,765		376,670,765			376,670,765
Less accumulated depreciation	(112,772,680)		(112,772,680)	($9,427,873)		(122,200,553)
Capital assets, net	$263,898,085	NONE	$263,898,085	($9,427,873)	NONE	$254,470,212

6. LONG-TERM LIABILITIES

The following is a summary of changes in the long-term debt of the Authority for the years ended June 30, 2024, and 2023:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Business-type activities:					
Limited and Special Revenue obligation bonds					
Series 2021A Refunding Bonds	$54,275,000		($490,000)	$53,785,000	$1,975,000
Total	$54,275,000	NONE	($490,000)	$53,785,000	$1,975,000
Notes from direct borrowings and direct placements:					
Series 2013B TIFIA Bonds	$77,775,000		($25,000)	$77,750,000	$25,000
Series 2013C TIFIA Bonds	32,660,000		(2,645,000)	30,015,000	2,720,000
Total	$110,435,000	NONE	($2,670,000)	$107,765,000	$2,745,000
Total Bonds Payable	**$164,710,000**	NONE	**($3,160,000)**	**$161,550,000**	**$4,720,000**

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Business-type activities:					
Limited and Special Revenue obligation bonds					
Series 2021A Refunding Bonds	$54,275,000			$54,275,000	$490,000
Total	$54,275,000	NONE	NONE	$54,275,000	$490,000
Notes from direct borrowings and direct placements:					
Series 2013B TIFIA Bonds	$77,800,000		($25,000)	$77,775,000	$25,000
Series 2013C TIFIA Bonds	34,745,000		(2,085,000)	32,660,000	2,645,000
Total	$112,545,000	NONE	($2,110,000)	$110,435,000	$2,670,000
Total Bonds Payable	**$166,820,000**	NONE	**($2,110,000)**	**$164,710,000**	**$3,160,000**

On June 9, 2005, the Authority issued Series 2005A Senior Lien Toll Revenue Bonds, Series 2005B Senior Lien Toll Revenue Capital Appreciation Bonds, and Series 2005 Subordinate Lien Toll Revenue Bond Anticipation Notes (BANS), under the Master Indenture of Trust, as supplemented by a First Supplemental Indenture of Trust and a Second Supplemental Indenture of Trust all dated as of April 1, 2005. The Series 2005A Senior Lien Toll Revenue Bonds had maturity dates of December 1, 2013, to December 1, 2030, with interest rates of 3.5% to 4.5%. The Capital Appreciation

Bonds were interest-free bonds issued at a deep discount. The Series 2005 Subordinate Lien Toll Revenue BANS matured on September 1, 2009.

In addition, the Authority entered into a Secured Loan Agreement with the U.S. Department of Transportation (USDOT) to borrow $66,000,000 to reimburse the Authority for "Eligible Project Cost" of Phase 1 by refinancing the Series 2005 Subordinate Lien BANS. To evidence the Authority's obligations under the Secured Loan Agreement, the Authority issued the Series 2005 Transportation Infrastructure Finance and Innovation Act (TIFIA) Bond as a Subordinate Lien Toll Revenue Bond. The TIFIA Bond had a maturity of December 1, 2040, with an interest rate of 4.45%.

On November 14, 2013, under the Trust Indenture, the Authority issued $51,530,000 of Louisiana Transportation Authority Refunding Bonds, Series 2013A, to provide funds, together with other available funds including a portion of TIFIA bonds (described below), to currently refund the Authority's Series 2005A Senior Lien Toll Revenue Bonds and Series 2005B Senior Lien Toll Revenue Capital Appreciation Bonds. The Series 2013A Refunding Bonds had maturity dates of August 15, 2014, to August 15, 2043, with interest rates of 2.0% to 5.0%.

On November 6, 2013, the Authority entered into a Secured Loan Agreement with USDOT to borrow $122,000,000, which effectively cancels the previous agreement with USDOT noted above for $66,000,000. Simultaneously with the issuance of the Series 2013A Bonds noted above, the Authority issued its LA 1 Project TIFIA Bonds, Series 2013B, for $78,000,000, and LA 1 Project TIFIA Bonds, Series 2013C, for $44,000,000. The Series 2013B and 2013C are collectively called the TIFIA Bonds. The purpose of the issuance of the TIFIA Bonds was to provide funds to currently refund the outstanding principal amount of the Series 2005 TIFIA Bonds, a portion of the Senior Bonds described above, and pay the cost of issuance for the TIFIA Bonds. The TIFIA Bonds were issued to evidence the obligation of the Authority under the Secured Loan Agreement to repay the loan made by USDOT. The Series 2013B TIFIA Bonds mature on August 15, 2046, and have an interest rate of 1.89%. The Series 2013C TIFIA Bonds mature on August 15, 2032, and have an interest rate of 3.46%.

On January 28, 2021, with authorization from the Third Supplement of the Trust Indenture, the Authority issued $54,275,000 of Louisiana Transportation Authority Refunding Bonds, Series 2021A to refund the Authority's Series 2013A Refunding Bonds. The Refunding Bonds, Series 2021A has maturity dates of February 15, 2024 to August 15, 2043 and interest rates of 0.713% to 3.08%.

The Refunding Bonds, Series 2021A, are limited and special revenue obligation bonds. The TIFIA Series 2013B and Series 2013C Bonds are bonds that fall within the description of a Direct Placement as these bonds were not available to the public for purchase. Accordingly, the TIFIA bonds are reported separately from the Series 2021A Refunding Bonds. The Authority has an outstanding limited and special revenue obligation bond and two bonds from direct placements related to business-type activities totaling $53,785,000 and $107,765,000, respectively. The Authority does not have any unused lines of credit or assets pledged as collateral for any debt.

The terms specified in Article 5, Section 5.1 of the Pledge and Security Agreement (Agreement) identify events of default. The following shall constitute an "Event of Default" with respect to all of the outstanding TIFIA Bonds: (1) default in the payment of any portion of the principal of or interest on, or the redemption price of, any outstanding TIFIA Bond when due; (2) failure by the Authority to cure any noncompliance with any provision of the Agreement within 60 days after receiving written notice from the trustee or owners of at least 25% of the principal amount of the outstanding TIFIA Bonds; (3) failure to operate, maintain, and repair the project per the Agreement; (4) failure to obtain or maintain insurance per the Agreement; (5) the occurrence of a Bankruptcy Related Event; or (6) the occurrence of an Event of Default under the TIFIA Loan Agreement. Article 5, Section 5.2 of the Agreement states that upon the occurrence of any Event of Default, the trustee may take whatever action at law or in equity may appear necessary or desirable to enforce the rights of the owners of the outstanding TIFIA Bonds and shall deposit any money received as a result of such action per the Agreement. Notice of default as described in Article 5, Section 5.11 of the Agreement should be made immediately in the case of the events described in (1) and (2) above and within 30 days for all other defaults, after the receipt of notice and the trustee is deemed to have notice, the trustee shall give written notice to the owners of all Bonds then outstanding, in the manner provided. Additionally, the Authority shall give immediate notice to the owners of the TIFIA Bonds as provided in the Loan Agreement. The trustee shall immediately notify, in writing, the Authority and the state of any Event of Default of which the trustee has actual notice.

All principal and interest prior to the 2013 bonds were funded in accordance with Article 7, Section 27 of the Louisiana Constitution of 1974. These bonds are not general obligations of the state or any political subdivision thereof, and the faith and credit of the state is not pledged to the payment of these bonds.

On November 6, 2013, the Authority entered into a Cooperative Endeavor Agreement, amended November 13, 2013, and January 28, 2021, with the state of Louisiana, subject to appropriation, through the Commissioner of Administration, to make payments to the Authority in an amount sufficient to pay the principal, premium, and interest on the bonds. The Authority has agreed to reimburse the state, as provided by a pledge agreement, to the extent funds are available. All toll revenue is pledged to payment of the debt. Every four years, when the leap year occurs, any additional interest will be paid from the administrative expenses due to adjustments made by TIFIA.

As of June 30, 2024, Fitch rated the Series 2021A Refunding Bonds as A+, and Moody's rated the Series 2021A Refunding Bonds as Aa3.

Details of all debt outstanding on June 30, 2024, and June 30, 2023, are as follows:

	Date of Issue	Original Issue	Outstanding June 30, 2023	Issues/Added (Redeemed)	Outstanding June 30, 2024	Maturities	Interest Rates	Future Interest Payments, June 30, 2024
Series 2021A Refunding Bonds	1/28/2021	$54,275,000	$54,275,000	($490,000)	$53,785,000	2024-2043	0.7%-3.08%	$17,332,412
Series 2013B TIFIA Bonds	11/14/2013	78,000,000	77,775,000	(25,000)	77,750,000	2046	1.89%	25,006,695
Series 2013C TIFIA Bonds	11/14/2013	44,000,000	32,660,000	(2,645,000)	30,015,000	2032	3.46%	5,023,160
Total		$176,275,000	$164,710,000	($3,160,000)	$161,550,000			$47,362,267

	Date of Issue	Original Issue	Outstanding June 30, 2022	Issues/Added (Redeemed)	Outstanding June 30, 2023	Maturities	Interest Rates	Future Interest Payments, June 30, 2023
Series 2021A Refunding Bonds	1/28/2021	$54,275,000	$54,275,000		$54,275,000	2024-2043	0.7%-3.08%	$18,681,069
Series 2013B TIFIA Bonds	11/14/2013	78,000,000	77,800,000	($25,000)	77,775,000	2046	1.89%	26,476,404
Series 2013C TIFIA Bonds	11/14/2013	44,000,000	34,745,000	(2,085,000)	32,660,000	2032	3.46%	6,107,062
Total		$176,275,000	$166,820,000	($2,110,000)	$164,710,000			$51,264,535

The annual requirements to amortize all bonds outstanding on June 30, 2024, and June 30, 2023, are as follows:

	Business-Type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
Year ending June 30, 2024	Principal	Interest	Principal	Interest
2025	$1,975,000	$1,345,164	$2,745,000	$2,460,444
2026	1,985,000	1,326,638	2,825,000	2,364,333
2027	2,000,000	1,304,049	2,910,000	2,265,498
2028	2,015,000	1,275,089	3,010,000	2,163,460
2029	2,370,000	1,241,882	3,525,000	2,050,892
2030-2034	12,610,000	5,472,501	19,520,000	8,346,222
2035-2039	14,230,000	3,853,807	21,995,000	5,895,158
2040-2044	16,600,000	1,513,282	24,215,000	3,713,179
2045-2047			27,020,000	770,669
Total	$53,785,000	$17,332,412	$107,765,000	$30,029,855

	Business-Type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
Year ending June 30, 2023	Principal	Interest	Principal	Interest
2024	$490,000	$1,348,658	$2,670,000	$2,553,611
2025	1,975,000	1,345,164	2,745,000	2,460,444
2026	1,985,000	1,326,638	2,825,000	2,364,333
2027	2,000,000	1,304,049	2,910,000	2,265,498
2028	2,015,000	1,275,089	3,010,000	2,163,460
2029-2033	12,345,000	5,730,695	18,895,000	8,974,171
2034-2038	13,850,000	4,233,353	21,575,000	6,306,927
2039-2043	16,050,000	2,062,522	23,755,000	4,166,532
2044-2047	3,565,000	54,901	32,050,000	1,328,490
Total	$54,275,000	$18,681,069	$110,435,000	$32,583,466

7. PLEDGED REVENUES

In 2005, the Authority distributed several series of toll revenue bonds to subsidize a highway project which would create elevated highways that would run parallel to Louisiana Highway 1 and provide a bridge over Bayou Lafourche. In November 2013, the Series 2005 Bonds were refunded. The bonds were issued as the 2013 Series Bonds and were refunded in January 2021 by the issuance of the 2021 Series Bonds. The 2021 Series Bonds are backed by a pledge from the toll revenues received from the southbound lane of the new highway from Leeville to Port Fourchon per amendment of the security agreement.

In August 2009, the U.S. Department of Transportation loaned the Authority funds from the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program. The Authority distributed two bonds, Series 2013 B and C, of TIFIA LA1 Project Bonds to help refund the TIFIA Bonds while at the same time refunding the Series 2005 Bonds mentioned above. On November 6, 2013, the Authority entered into a Cooperative Endeavor Agreement, amended November 13, 2013, and January 28, 2021, with the state of Louisiana, subject to appropriation, through the Commissioner of Administration, to make payments to the Trust in an amount sufficient to pay the principal of, premium, and interest on the bonds. The Authority has agreed to reimburse the state, as provided by a pledge agreement, to the extent funds are available. All toll revenue is pledged to payment of the debt. Toll revenues reported on Statement B for the fiscal year ended June 30, 2024, and June 30, 2023, were $6,034,834 and $3,866,975, respectively.

8. DUE FROM/TO OTHER ENTITIES

The following is a summary of due from/to other entities:

	As of June 30, 2024	As of June 30, 2023
Due from:		
Kapsch - LA 1 tolls collected by Kapsch	$91,742	
DOTD - LA 1 tolls in GeauxPass and Toll Clearing Accounts		$524,154
Total	$91,742	$524,154
Due to:		
DOTD - Kiosk and petty cash seed	$1,950	$939
GeauxPass	5,022	
Total	$6,972	$939

9. OPERATING TRANSFERS IN/OUT

On November 6, 2013, the Authority entered into an agreement, amended November 13, 2013, and January 28, 2021, with the state of Louisiana, acting by and through the Commissioner of Administration, in which the state agreed to make payments to the Authority sufficient to pay principal, premium, if any, and interest on the bonds, subject to appropriation. The payments from the state to the Authority shall be satisfied by making such payments directly to the trustee on behalf of the Authority. These payments began in fiscal year 2015 and continue each fiscal year thereafter through fiscal year 2047. The Authority agrees it will apply payments made solely to pay debt service, administrative expenses, or other payments required by the bond indenture. The Authority agrees to reimburse the state, as prescribed in the pledge agreement between the Authority and the trustee, to the extent funds are available.

For the year ended June 30, 2024, Transfers In from the state of Louisiana and Transfers Out to the state of Louisiana were $7,092,431 and $5,975,628, respectively. For the year ended June 30, 2023, Transfers In from the state of Louisiana and Transfers Out to the state of Louisiana were $6,126,631 and $3,980,451, respectively.

10. COOPERATIVE ENDEAVORS

Louisiana Revised Statute 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana; its local governmental subdivisions; political corporations; public benefit corporations; the U.S. 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 of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

The Authority entered into a cooperative endeavor with DOTD in April 2005 to enhance the feasibility of financing Phase I of the LA 1 Project. DOTD's obligations under the agreement are as follows: (1) align funding agreements with the Federal Highway Administration for advance construction; (2) guarantee the payment of cost overruns of Phase I; and (3) pay future operating and maintenance expenses from available DOTD funding, subject to appropriation. The guarantee of funding from DOTD was to ensure that the owners of the Series 2005 Bonds will be granted a gross revenue pledge on any tolls generated by Phase I.

As disclosed in note 6, the Authority issued new debt during fiscal year 2014 to defease the 2005 debt. The agreement with DOTD was amended at the time of the debt refinancing to reflect the issuance of the Series 2013 obligations and the refunding of the Series 2005 obligations. Since Phase I is complete, DOTD obligations noted above related to funding for construction are no longer applicable; however, DOTD remains responsible for all operating and maintenance. The amendment to the cooperative endeavor agreement with DOTD was effective November 6, 2013, and added/modified the following DOTD obligations: (1) DOTD will furnish financial and other information to the Authority, trustee, and U.S. government; (2) DOTD will maintain business interruption insurance covering loss of revenues, and DOTD will repair or replace any portion of Phase I essential to operations; (3) DOTD will no longer be responsible for the payment of the debt in any manner; and (4) the agreement shall be binding until the debt is paid in full.

On January 28, 2021, the Authority defeased the outstanding Series 2013A Bonds and issued a new debt for Series 2021A Bonds. The agreement with DOTD was amended at the time of the debt refinancing to reflect the issuance of the Series 2021 obligations and the refunding of the Series 2013 obligations.

On November 6, 2013, the Authority entered into an agreement, amended November 13, 2013, and January 28, 2021, with the state of Louisiana, acting by and through the Commissioner of Administration, in which the state agrees to make payments to the Authority sufficient to pay the principal, premium, if any, and interest on the bonds, subject to appropriation. The payments from the state to the Authority shall be satisfied by making such payments directly to the trustee on behalf of the Authority. These payments began in fiscal year 2015 and continue each fiscal year thereafter through fiscal year 2047. The Authority agrees it will apply payments made solely to pay debt service, administrative expenses, or other payments required by the bond indenture. The Authority agrees to reimburse the state, as prescribed in the pledge agreement between the Authority and the trustee, to the extent funds are available.

Plenary Infrastructure Belle Chasse (Plenary) and DOTD entered into an agreement for Plenary to upgrade, operate, and maintain the tolling system on LA-1 to Leeville, La. As part of this agreement, Plenary is responsible for modernizing the existing tolling infrastructure, updating and providing back-office systems, as well as operations and maintenance services including managing the Customer Service Center in Golden Meadow, La. Plenary partnered with Kapsch TrafficCom to implement the new toll collection system and provide end-to-end tolling services for LA-1. Tolling operations transitioned from DOTD to Kapsch TrafficCom with the new tolling gantry going live on November 9, 2023, and the customer service center reopening on November 20, 2023. The new tolling system is compatible with the state's GeauxPass transponder program and includes new features such as toll-by-plate capabilities.

The toll collections in fiscal year 2024 did not provide sufficient revenues to reimburse the state in full for debt payments made on its behalf, as stipulated by the cooperative endeavor agreement. For fiscal year 2025, the Authority anticipates that collections will not reimburse the state in full.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain our report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

LOUISIANA LEGISLATIVE AUDITOR

MICHAEL J. "MIKE" WAGUESPACK, CPA
LOUISIANA LEGISLATIVE AUDITOR

November 26, 2024

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

LOUISIANA TRANSPORTATION AUTHORITY
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the business-type activities of the Louisiana Transportation Authority (Authority), a component unit of the state of Louisiana, as of and for the years ended June 30, 2024, and June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

LMN:RR:BQD:ch

LTA 2024