LOUISIANA STATE BOARD OF COSMETOLOGY

A DISCRETE COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board Members of the
Louisiana State Board of Cosmetology
A Discrete Component Unit
of the State of Louisiana
11622 Sunbelt Court
Baton Rouge, Louisiana 70809

Opinions

We have audited the accompanying financial statements of business-type activities of the Louisiana State Board of Cosmetology (the "Board"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Board, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Board'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 opinions. 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 generally accepted 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 generally accepted 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 Board'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 Board'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 the management's discussion and analysis and budgetary comparison information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The schedules of Per Diem Paid to Board Members; Compensation, Benefits, and Other Payments to Agency Head; the Budgetary Comparison -Proprietary Fund; and the Annual Fiscal Report on pages 41-52 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of Per Diem Paid to Board Members; Compensation, Benefits, and Other Payments to Agency Head; the Budgetary Comparison -Proprietary Fund; and the Annual Fiscal Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of Per Diem Paid to Board Members; Compensation, Benefits, and Other Payments to Agency Head; the Budgetary Comparison – Proprietary Fund; and the Annual Fiscal Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, on our consideration of the Board'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 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 Board's internal control over financial reporting and compliance.

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Baton Rouge, Louisiana
November 16, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of Management's Discussion and Analysis (MD&A) of the financial performance of the Louisiana State Board of Cosmetology (hereafter referred to as the Board) presents a narrative overview and analysis of the financial activities of the Board for the year ended June 30, 2022. 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 financial statements of the Board, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The Board's net position increased by $167,078 from a deficit of $3,567,590 in 2021 to a deficit of $3,400,512 in 2022.
- The Board's revenues decreased to $1,819,257 (7.74%) and expenses and transfers decreased to $1,652,179 (0.1%).
- The Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the fiscal year by $3,400,512, a decrease of 4.7% from the prior fiscal year.
- The Board has no long-term obligations other than employee-related benefits.

OVERVIEW OF THE FINANCIAL STATEMENTS

The minimum requirements for government entities engaged in business-type activities established by the Governmental Accounting Standards Board (GASB) are comprised of the following:

- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information, other than MD&A (RSI)

This report also contains supplementary information in addition to the basic financial statements.

The Board's activities are reported in a single proprietary fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred.

Basic Financial Statements

The basic financial statements present information for the Board 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.

Statement of Net Position – This statement presents the current and long-term portions of assets, deferred outflows of resources, the current and long-term portions of liabilities, and deferred inflows of resources, with the difference reported as net position and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position – This statement presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statement of Cash Flows – This statement presents information showing how the Board'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 No. 34.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The index of the notes is found on page 11 with the actual notes beginning immediately afterwards.

Required Supplemental Information

In addition to the basic financial statements and accompanying notes, as a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Government Accounting Standards Board. This information is comprised of the Schedules of the Board's Proportionate Share of the Net Pension Liability, the Schedules of Board Contributions, and the Schedule of the Employer's Proportionate Share of the Total Collective OPEB Liability required by GASB.

Supplementary Information

This report also includes supplementary information that is not a part of the basic financial statements or required by the GASB. This information is included for additional analysis and is comprised of the schedules of Per Diem Paid to Board Members; Compensation, Benefits, and Other Payments to Agency Head; the Budgetary Comparison – Proprietary Fund; and the Annual Fiscal Report and are found on pages 45-54.

FINANCIAL ANALYSIS OF THE ENTITY

As noted earlier, net position may serve over time as a useful indicator of the Board's financial position. At the end of the most recent year, the liabilities of the Board exceeded its assets by $3,400,512.

The Board's total assets are composed of $1,836,449 (91%) in cash, $1,045 (less than 1%) in receivables and $187,722 (9%) investment in capital assets (land and buildings and improvements).

The condensed statements of net position consist of the following at June 30:

Comparative Statements of Net Position
June 30, 2022 and 2021

	2022	2021
Assets:		
Current and Other Assets	$ 1,837,494	$ 1,965,018
Capital Assets	187,722	179,431
Total Assets	2,025,216	2,144,449
Deferred Outflows of Resources	1,022,796	1,075,614
Total Assets and Deferred Outflows of Resources	$ 3,048,012	$ 3,220,063
Liabilities:		
Current and Other Liabilities	$ 188,875	$ 228,186
Non-Current Liabilities	5,278,624	5,823,092
Total Liabilities	5,467,499	6,051,278
Deferred Inflows of Resources	981,025	736,375
Total Liabilities and Deferred Inflows of Resources	$ 6,448,524	$6,787,653
Net Position		
Net Investment in Capital Assets	$ 187,722	$ 179,431
Unrestricted	(3,588,234)	(3,747,021)
Total Net Position	$(3,400,512)	$(3,567,590)

Deferred outflows of resources decreased by $52,818, or 4.9%, from 2021.

Non-Current Liabilities decreased by $544,468, or 9.35%, from 2021.

The Board's negative unrestricted net position is mainly caused by the following:

- A net pension liability and pension related deferred inflows and outflows for the Board's participation in various defined benefit plans of approximately $2,778,708.

- A liability for post-employment benefits other than pension and related inflows and outflows of $2,451,120.

A condensed statement of revenues, expenses, and changes in net position consist of the following for the years ended June 30:

Comparative Statement of Changes in Revenues, Expenses, and Net Position
For the Years Ended June 30, 2022 and 2021

	2022	2021
Operating Revenues	$ 1,819,257	$ 1,971,915
Operating Expenses	1,652,179	1,653,058
Operating Income (Loss)	167,078	318,857
Increase (Decrease) in Net Position	167,078	318,857
Net Position – Beginning	(3,567,590)	(3,886,447)
Net Position – Ending	$(3,400,512)	$(3,567,590)

Revenues decreased by $152,658, or 7.4%, from 2021.

Expenses decreased by $1,397, or less than 0.1%, from 2021.

CAPITAL ASSETS

At June 30, 2022 the Board had $187,722 invested in a broad range of capital assets, including land, buildings, improvements, and office furniture and equipment. This amount represents an increase in machinery from 2021. Further detail on capital assets is presented in Note 3 on page 16.

ECONOMIC FACTORS

Operating revenues decreased by $152,658 (or 7.74%). The decrease is due to an decrease in fines and enforcement actions. All other revenues remained relatively consistent compared to the prior year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Mr. Steve Young, Executive Director, at 11622 Sunbelt Court, Baton Rouge, LA or (225) 756-3404.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the following:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows.

This also includes the notes to the financial statements, which provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The index of the notes is found on page 11 with the actual notes beginning immediately afterwards.

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LOUISIANA STATE BOARD OF COSMETOLOGY
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STATEMENT OF NET POSITION
(See Notes to the Financial Statements)
June 30, 2022

	Business-Type Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,836,449
Receivables (net)	1,045
Total Current Assets	1,837,494
Non-Current Assets	
Investments	
Capital Assets	
Land	165,000
Building, Machinery & Improvements (Net)	22,722
Total Non-Current Assets	187,722
TOTAL ASSETS	2,025,216
DEFERRED OUTFLOWS OF RESOURCES	
Pension-Related Deferred Outflows of Resources	610,487
OPEB-Related Deferred Outflows of Resources	412,309
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,022,796
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,048,012
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 17,506
Unearned Revenues	-
Other Current Liabilities	101,083
Current Portion of Long-Term Liabilities	
OPEB Liability	70,286
Total Current Liabilities	188,875
Non-Current Liabilities	
Non-Current Portion of Long-Term Liabilities	
Compensated Absences Payable	77,311
Net OPEB Obligation	2,796,119
Net Pension Liability	2,405,194
Total Non-Current Liabilities	5,278,624
TOTAL LIABILITIES	5,467,499
DEFERRED INFLOWS OF RESOURCES	
Pension-Related Deferred Inflows of Resources	656,413
OPEB-Related Deferred Inflows of Resources	324,612
TOTAL DEFERRED INFLOWS OF RESOURCES	981,025
NET POSITION	
Net Investment in Capital Assets	187,722
Unrestricted	(3,588,234)
TOTAL NET POSITION	(3,400,512)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET	$ 3,048,012

LOUISIANA STATE BOARD OF COSMETOLOGY
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(See Notes to the Financial Statements)
For the Year Ended June 30, 2022

	Business-Type Activities
OPERATING REVENUES	
Charges for Services	
Licenses, Permits, & Fees	$ 1,761,314
Fines	57,943
TOTAL OPERATING REVENUES	1,819,257
OPERATING EXPENSES	
Salaries and Related Benefits	1,309,341
Meetings, Conferences, and Travel	58,434
Professional Services	81,586
General and Administrative	198,693
Depreciation	4,125
TOTAL OPERATING EXPENSES	1,652,179
CHANGE IN NET POSITION	167,078
TOTAL NET POSITION, BEGINNING	(3,567,590)
TOTAL NET POSITION, ENDING	$ (3,400,512)

LOUISIANA STATE BOARD OF COSMETOLOGY
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STATEMENT OF CASH FLOWS
(See the Notes to the Financial Statement)
For the Year Ended June 30, 2022

	Business-type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 1,819,257
Cash paid to suppliers for goods/services	(584,297)
Cash paid to employees for services	(1,350,068)
NET CASH USED BY OPERATING ACTIVITIES	(115,108)
CASH FLOWS FROM FINANCING ACTIVITIES	
Purchase of Machinery	$ (12,416)
NET CASH USED BY FINANCING ACTIVITIES	(12,416)
Net Increase in Cash and Cash Equivalents	(127,524)
Cash and Cash Equivalents, beginning of year	1,963,973
Cash and Cash Equivalents, end of year	$ 1,836,449
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income	$ 167,078
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,125
(Increase) decrease in assets:	
Deferred outflows of resources	52,818
Increase (decrease) in liabilities:	
Accounts payable	(5,389)
Other Current Liabilities	(37,131)
Deferred inflows of resources	244,650
Compensated absences payable	(3,596)
Net OPEB Obligation	361,246
Net Pension Liability	(898,909)
NET CASH USED BY OPERATING ACTIVITIES	$ (115,108)

INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

LOUISIANA STATE BOARD OF COSMETOLOGY
A DISCRETE COMPONENT UNIT OF THE STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

INTRODUCTION

The Louisiana State Board of Cosmetology (Board) is a component unit of the State of Louisiana. It was created by the Louisiana Legislature under the provisions of Louisiana Revised Statute 37:751 and is domiciled in East Baton Rouge Parish. The Board serves as a statewide authority to control and regulate the practice of cosmetology in the State of Louisiana. Operations are funded through self-generated revenues.

The Board is composed of 9 members that are appointed by the Governor of the State of Louisiana and serve at his/her pleasure. Subject to Senate confirmation, the Board is made up of at least one registered cosmetologist of each congressional district that has been actively engaged in the practice of cosmetology, a beauty shop/salon owner or teacher/instructor of cosmetology for at least 5 years prior to his/her appointment. Board members, as authorized by Louisiana Administrative Code 46:317(c), may receive a per diem of not more than $100 per meeting or day spent on Board business in additional to actual expense reimbursement to attend meetings or conduct board-approved business.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The Government Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared in accordance with such principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units.*

Financial Reporting Entity – Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Board as authorized by Louisiana statutes and administrative regulations.

Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the financial statements. The State of Louisiana also issues supplementary information to the Comprehensive Annual Fiscal Report, which presents the Board in the combining statement of net position for discrete boards and commissions and the combining statement of activities for discrete boards and commissions. Those financial statements and the supplementary information are audited by the Louisiana Legislative auditor.

Basis of Accounting – For financial reporting purposes, the Board is considered a special-purpose government engaged only in business-type activities. All activities of the Board are accounted for within a single proprietary (enterprise) fund.

LOUISIANA STATE BOARD OF COSMETOLOGY
A DISCRETE COMPONENT UNIT OF THE STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued) – 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 Board are accounted for using the 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.

Under the accrual basis, 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 Nonoperating revenues and expenses.

Cash and Investments – Cash and cash equivalents include amounts in demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The Board did not have any investments at year-end.

Capital Assets – The Board's assets are recorded at historical cost if purchased or constructed. Assets required through contributions are capitalized at their estimated fair market value. Generally, the Board includes all capital acquisitions with a cost of $5,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item. Straight-line deprecation is used based on the following estimated useful lives:

	Years
Office Equipment	5-10
Building Improvements	5
Buildings	40

LOUISIANA STATE BOARD OF COSMETOLOGY
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June 30, 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences – Employees earn and accumulate vacation and sick leave at varying rates, depending their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. The cost of current leave is recognized as a current-year expense. The liability is recognized as a long-term obligation. The current portion cannot be reasonably estimated, and accordingly is not reported.

Pensions – For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and Louisiana School Employees' Retirement System (LSERS), and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by LASERS and LSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets – This category records capital assets, net of accumulated depreciation.

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

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

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounting Pronouncements - GASB Statement No. 87, "Leases" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a defined inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this standard had no material effect on the Board's financial statements for the year ended June 30, 2022.

LOUISIANA STATE BOARD OF COSMETOLOGY
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NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2: DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose deposits that are insured with no custodial credit risk. GASB Statement 40 requires only the separate disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either: 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer. The deposits at June 30, 2022, consisted of the following:

	Cash	Nonnegotiable Certificates Of Deposits	Money Market Demand Accounts	Total
Deposits in bank accounts per bank	$ 1,836,449	$ -	$ -	$ 1,836,449
Bank balances exposed to custodial Credit risk:	1,658,425	-	-	1,658,425
a) Uninsured and uncollateralized	-	-	-	-
b) Uninsured and collateralized with Securities held by the pledging Institution	$ 1,658,425	-	-	$ 1,658,425
c) Uninsured and collateralized with Securities held by the pledging Institution's trust department or Agent, but not in the entity's name	-	-	-	-

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NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets and related depreciation for the fiscal year ended June 30, 2022 is as follows:

	Balance 06/30/21	Additions	Retirements	Balance 06/30/22
Non-Depreciable Assets				
Land	$ 165,000	$ -	$ -	$ 165,000
Depreciable Assets				
Buildings and Improvements	163,149	-	-	163,149
Machinery and Equipment	36,603	12,416	-	49,019
Gross Depreciable Assets	199,752	-	-	212,168
Less: Accumulated Depreciation	(185,321)	(4,125)	-	(189,446)
Net Depreciable Assets	14,431	$ 8,291	$ -	22,722
Net Capital Assets	$ 179,431			$ 187,722

The Board recorded depreciation expense of $3,607 for the year ended June 30, 2021.

NOTE 4: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities other than pensions (note 5) and other postemployment benefits (note 6) of the Board for the year ended June 30, 2022:

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22
Compensated Absences	$ 80,907	$ 11,602	$ (15,198)	$ 77,311

As of June 30, 2022, there are no known amounts due within one year for compensated absences.

NOTE 5: PENSIONS

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS)

General Information about the Pension Plan

Plan Descriptions – Employees of the Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

NOTE 5: PENSIONS (CONTINUED)

Benefits Provided – The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement – The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

NOTE 5: PENSIONS (CONTINUED)

Retirement (continued)
Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate and judges a 3.5% accrual rate, with an extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits – The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits – Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

Survivor's Benefits - Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two

NOTE 5: PENSIONS (CONTINUED)

Survivor's Benefits (continued) - of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments – As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions – Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2021 for the various plans follow:

Plan	Plan Status	Employee Rate	Employer Rate
Regular Employees hired before 7/01/06	Closed	7.50%	40.70%
Regular Employees hired on or after 7/01/06	Closed	8.00%	40.70%
Regular Employees hired on or after 1/01/11	Closed	8.00%	40.70%
Regular Employees hired on or after 7/01/15	Open	8.00%	40.70%

The agency's contractually required composite contribution rate for the year ended June 30, 2021 was 40.70% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $357,003 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Employer reported a liability of $2,354,601 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to

NOTE 5: PENSIONS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Agency's proportion was 0.04276%, which was a decrease of 0.00377% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Agency recognized pension expense of $165,074 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $18,393.

At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to LASERS pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (549,102)
Changes of assumptions	57,674	-
Net difference between projected and actual earnings on pension plan investments	2,327	N/A
Changes in proportion and differences between employer contributions and proportionate share of contributions	192,199	(86,478)
Employer contributions subsequent to the measurement date	338,306	-
Total	$ 590,506	$ (635,580)

$338,306 was reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	$	(35,292)
2024	$	(84,613)
2025	$	(124,751)
2026	$	(244,446)

NOTE 5: PENSIONS (CONTINUED)

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.40% per annum, net of investment expenses*
Inflation Rate	2.3% per annum
Mortality	*Non-disabled members* - The RP-2014 Blue Collar (males/ females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018 *Disabled members* – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

*The investment rate of return used in the actuarial valuation for funding purposes was 7.75%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.40%, which is the same as the discount rate. Therefore, we conclude that the 7.40% discount rate is reasonable.

NOTE 5: PENSIONS (CONTINUED)

Actuarial Assumptions (continued) – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rates of Return[1]
Cash	-0.29%
Domestic Equity	4.09%
International Equity	5.12%
Domestic Fixed Income	0.49%
International Fixed Income	3.94%
Alternative Investments	6.93%
Total Fund	**5.81%**

[1]*For reference only: The information above can be found in the current Employer Pension Audit Report located at http://lasersonline.org/employers/gasb-68-resources/.*

Discount Rate – The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 5: PENSIONS (CONTINUED)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.40%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1.0% Decrease (6.40%)	Current Discount Rate (7.40%)	1.0% Increase (8.40%)
$ 3,190,306	$ 2,354,601	$ 1,643,521

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan – At June 30, 2022 the Board had $52,510 in payables to LASERS for the June 2022 employee and employer legally required contributions.

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS)

General Information about the Pension Plan

Plan Descriptions – The Louisiana School Employees' Retirement System (LSERS) was established as of July 1, 1947, for the purpose of providing retirement allowances and other benefits as described under La. R.S. 11:1001 – 11:1206. LSERS issues a publicly available financial report that can be obtained at www.lsers.net.

Benefits Provided – The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Contribution Rates – Employees whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred before July 1, 2010 contribute 7.50% of salary and employees whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2010 contribute 8.00% of salary. Employers contribute an actuarially determined "normal contribution" rate plus "accrued liability contribution" rate. Members are not required to contribute to the system once they have enough service to have accrued 100% of their final average compensation, but the employer is required to continue to contribute the employer's contribution until the member retires or enters DROP.

Contribution Refunds- Upon withdrawal from service, members not entitled to a retirement allowance may receive a refund of accumulated contributions. Refunds are payable ninety days after the effective date of withdrawal from service, if the member's employer has submitted all contributions. (Members who are entitled to a retirement allowance may waive their right to the benefit and accept a refund of accumulated contributions.)

NOTE 5: PENSIONS (CONTINUED)

Final Average Compensation- For members whose first employment making them eligible for membership in the system began on or before June 30, 2006, the final average compensation is based on the 36 highest successive or joined months of employment. The compensation used to determine the final average compensation cannot increase more than 10% per year, unless the raise is due to an increase in compensation by legislative act or city/parish system-wide salary increase.

For members whose first employment making them eligible for membership in the system began on or after July 1, 2006 and whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or before June 30, 2010, the final average compensation is based on the 60 highest successive or joined months of employment. The compensation used to determine the final average compensation cannot increase more than 10% per year, unless the raise is due to an increase in compensation by legislative act or city/parish system-wide salary increase.

For members whose first employment making them eligible for membership in one of Louisiana's state retirement systems began on or after July 1, 2010, the final average compensation is based on the 60 highest successive or joined months of employment. The compensation used to determine the final average compensation cannot increase more than 15% per year, unless the raise is due to an increase in compensation by legislative act or city/parish system-wide salary increase

Vested Withdrawal Benefits- Members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or before June 30, 2010, who have ten or more years of creditable service, may elect to leave accumulated contributions on deposit and after withdrawal from service receive a retirement allowance based on the creditable service and accrual rate for their period of membership upon reaching age sixty. Members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2010 and on or before June 30, 2015, who have five or more years of creditable service, may elect to leave accumulated contributions on deposit and after withdrawal from service receive a retirement allowance based on the creditable service and accrual rate for their period of membership upon reaching age sixty. Members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2015, who have five or more years of creditable service, may elect to leave accumulated contributions on deposit and after withdrawal from service receive a retirement allowance based on the creditable service and accrual rate for their period of membership upon reaching age sixty-two.

Normal Retirement Benefits- For members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or before June 30, 2010, eligibility for normal retirement occurs upon the attainment of age 60 and 10 years of accredited service, or age 55 and 25 years of accredited service, or at any age and 30 years of accredited service. The retirement allowance is equal to three and one-third percent of the member's final average compensation multiplied by his years of creditable service. For members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2010 and on or before June 30, 2015, eligibility for normal retirement

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NOTE 5: PENSIONS (CONTINUED)

Normal Retirement Benefits (continued)- occurs upon the attainment of age 60 and 5 years of accredited service. The retirement allowance is equal to two and one-half percent of the member's final average compensation multiplied by his years of creditable service. For members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2015, eligibility for normal retirement occurs upon the attainment of age 62 and 5 years of accredited service. The retirement allowance is equal to two and one-half percent of the member's final average compensation multiplied by his years of creditable service. In addition to the normal retirement benefits, members receive a supplementary allowance equal to twenty-four dollars per annum, or two dollars per month, for each year of accredited service. The retirement benefits provided by the system cannot annually exceed one hundred percent of average compensation.

Early Retirement- Members are eligible to retire under the early retirement provisions if they have at least twenty (20) years of service credit regardless of attained age, exclusive of military service and unused annual and sick leave. The early retirement benefit is calculated, inclusive of military service credit and allowable unused annual and sick leave, actuarially reduced from the earliest age that the member would normally become eligible for a regular retirement benefit if they had continued in service to that age.

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Disability Benefits- Any member who meets the minimum service requirement for disability and who has been officially certified as likely to be totally and permanently incapacitated, either mentally or physically, from the further performance of the duties being performed is entitled to disability benefits. A member whose first employment making them eligible for membership in LSERS occurred on or before June 30, 2006, may apply for disability benefits if he is not eligible to receive a regular service retirement allowance and has five years of actual credited service. The disability retirement allowance is equal to two and one-half percent of final average compensation multiplied by the years of creditable service, but not less than thirty-three and one-third percent of final average compensation. Such members are not eligible to choose an optional allowance. Upon the death of such disability retiree who leaves a surviving spouse who had been married to the deceased for at least two years prior to death, the spouse receives a benefit equal to 75% of the benefit being received by the disability retiree at death. These benefits are payable for the life of the spouse unless the spouse remarries before age 55. In such a case, the benefit ceases upon the remarriage.

NOTE 5: PENSIONS (CONTINUED)

Disability Benefits (continued)- A member whose first employment making them eligible for membership in LSERS occurred on or after July 1, 2006 and whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or before June 30, 2010 may apply for disability benefits if he is not eligible to receive a regular service retirement allowance and has ten years of actual credited service. The disability retirement allowance is equal to three percent of final average compensation multiplied by the years of creditable service. Upon the death of such disability retiree who leaves a surviving spouse who had been married to the deceased for at least two years prior to the death of the disability retiree, the spouse receives a benefit equal to 75% of the benefit being received by the disability retiree at their death. These benefits are payable for the life of the spouse unless the spouse remarries before age 55. In such a case, the benefit ceases upon the remarriage.

A member whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2010 may apply for disability benefits if he is not eligible to receive a regular service retirement allowance and has ten years of actual credited service. The disability retirement allowance is equal to the regular retirement formula without reduction by reason of age. A selection of retirement option must be made at the time of retirement and upon the death of the disabled retiree, the option amount selected is paid to the option beneficiary.

Survivor's Benefits – For members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or before June 30, 2010:

In the case of a death of an active member with 5 years of creditable service (at least 2 years earned immediately prior to death) or a member with 20 years of service at the time of death who has a surviving spouse with a minor child or children, the benefit payable is 75% of the deceased member's final average compensation or $300 per month, whichever is greater. One-third of this benefit is designated to the spouse and two-thirds to the minor child or children. Child benefits cease at attainment of eighteen years, or upon marriage, except that benefits may continue until age twenty-three if the child remains a full-time student at a high school, vocational school, college, or university.

In the case of a death of an active member with 5 years of creditable service (at least 2 years earned immediately prior to death) or a member with 20 years of service at the time of death who has no surviving spouse but has a minor child or children, the benefit payable is 75% of the deceased member's final average compensation or $300 per month, whichever is greater. These benefits are paid to the person having legal custody of the child and benefits cease at attainment of eighteen years, or upon marriage, except that benefits may continue until age twenty-three if the child remains a full-time student at a high school, vocational school, college, or university. In the case of a death of an active member with 10 years of creditable service (at least 2 years earned immediately prior to death) or a member with 20 years of service at the time of death who has a surviving spouse but has no minor child or children, the benefit payable is 50% of the deceased member's final average compensation or $200 per month, whichever is greater. Such benefits will not be paid to any surviving spouse who has remarried since the death of the member prior to the age of 55 unless the member was eligible for regular retirement or had twenty years of service credit on the date of death.

NOTE 5: PENSIONS (CONTINUED)

Survivor's Benefits (continued)- Any surviving child of a deceased member, regardless of age, who has a total physical or mental disability and is dependent on the surviving spouse or other legal guardian, may continue to receive lifetime surviving child benefits equal to 75% of the deceased member's final average compensation or $300 per month, whichever is greater. The total benefits are reduced to an amount which, when added to the other state assistance being received, does not exceed the maximum survivor benefits payable.

In the event of death of a member with no surviving spouse or child due benefits, the accumulated contributions are payable to the designated beneficiaries, or estate. For members whose first employment making them eligible for membership in one of Louisiana's state retirement systems occurred on or after July 1, 2010: In the case of a death of an active member with 5 years of creditable service (at least 2 years earned immediately prior to death) or a member with 20 years of service at the time of death who has a surviving spouse with a minor child or children, a spousal survivor is paid a benefit equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using the member's applicable accrual rate regardless of years of service or age, or $600 per month, whichever is greater. These benefits are payable for the life of the spouse unless the spouse remarries before age 55. In such a case, the benefit ceases upon the remarriage, and resumes payment upon a subsequent divorce or death of a new spouse.

When all surviving children cease to be eligible for benefits, the surviving spouse is paid the benefits due to a surviving spouse without minor children or disabled children, as described below. In addition to any benefits payable to a spouse or in cases where only surviving minor or disabled children are due benefits, each surviving eligible child, subject to a maximum of two children, is paid 50% percent of the benefit to which a spouse with children is entitled. These benefits are payable even if a member dies after retirement leaving an eligible minor or disabled child. Any surviving child of a deceased member, regardless of age, who has a total physical or mental disability and is dependent on the surviving spouse or other legal guardian may continue to receive surviving child benefits. The total benefits paid are reduced to an amount which, when added to the other state assistance being received does not exceed the maximum survivor benefits payable.

In the case of a death of an active member with 10 years of creditable service (at least 2 years earned immediately prior to death) or a member with 20 years of service at the time of death who has a surviving spouse to whom they were married for at least one year prior to their death who has no minor child or children, a spousal survivor benefit equal to the accrued benefit that would have been due under option 2, or $600 per month, whichever is greater, is payable. Unless the member was eligible to retire at the time of death, such spousal benefits cease upon remarriage and resume upon a subsequent divorce or death of the new spouse. In the event of death of a member with no surviving spouse or child due benefits, the accumulated contributions are payable to the designated beneficiaries, or estate.

Deferred Retirement Benefits – In lieu of terminating employment and accepting a service retirement allowance, any member of the system who is eligible to receive a regular retirement allowance may elect to participate in the DROP and defer the receipt of benefits. An election to participate may be made only once and the duration of participation shall be specified and shall not exceed three years. The three year period begins within sixty calendar days after the member reaches eligibility. The participation period must end not more than three years and sixty calendar days from the date the member reaches eligibility. Upon

NOTE 5: PENSIONS (CONTINUED)

Deferred Retirement Benefits (continued) –
commencement of participation in the plan, active membership in the system terminates and neither the employee nor employer contributions are payable. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan and creditable service excludes conversion of sick and annual leave. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the DROP account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the DROP account equal to the payments to the account or systematic disbursements based on the individual's subaccount in any manner approved by the Board. The monthly benefits that were being paid into the fund during the period of participation will begin to be paid to the retiree based on the option selected at DROP entry. If employment is not terminated at the end of the DROP period, payments into the account cease and employee and employer contributions resume. Monthly retirement benefits payable after termination of participation in the plan and employment include a "base benefit" equal to the participant's monthly credit to the account plus conversion of sick and annual leave, if any, based on the final average compensation rate used to calculate the monthly credit and an additional benefit if employment continues. The additional benefit is based on service credit for the period after plan participation. If the participant dies while still employed, the credits and benefits, if any, due beneficiaries are payable as if the member retired immediately prior to death.

Cost-of-Living Adjustments – Act 333 of 2007 established an Experience Account to be used to pay cost of living adjustments (COLAs), or permanent benefit increases (PBIs). The Experience Account is credited with 50% of the investment experience gain in excess of $15 million (indexed based on increases in the actuarial value of assets after June 30, 2015) along with that portion of the net investment income, if any, attributable to the prior year balance, subject to maximum accumulation limitation based upon the Plan's funded percentage. The account is also debited with that portion of the system's net investment loss, if any, attributable to the prior year balance. In no event may the amount in the Experience Account fall below zero.

Contributions – Contribution requirements of active employees are governed by the Louisiana Revised Statutes (La. R.S. 11:1145.1(c) (2)) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LSERS by participating employers. The rates in effect during the year ended June 30, 2021 for the various plans follow:

The agency's contractually required composite contribution rate for the year ended June 30, 2022 was 28.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $9,395 for the year ended June 30, 2022.

NOTE 5: PENSIONS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Employer reported a liability of $50,593 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Agency's proportion was 0.01064%, which was a decrease of 0.00988% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Agency recognized pension expense of $5,644 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $2,471.

At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to LSERS pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (735)
Changes of assumptions	1,429	-
Net difference between projected and actual earnings on pension plan investments	5,935	(19,248)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	3,509	(850)
Employer contributions subsequent to the measurement date	9,108	-
Total	$ 19,981	$ (20,833)

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NOTE 5: PENSIONS (CONTINUED)

$9,108 was reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2023	$	(527)
2024	$	20
2025	$	(4,638)
2026	$	(7,617)

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions: Expected Remaining Service Lives	3 years
Investment Rate of Return	6.90%, net of pension plan investment expense
Inflation Rate	2.50% per annum
Mortality	Mortality rates based on the RP-2014 Health Annuitant Tables, RP-2014 Sex Distinct Employee Tables, and RP-2014 Sex Distinct Disabled Tables
Salary Increases	Salary increases were projected based on a 2013-2017 experience study of the System's members. The salary increase is 3.25%.
Cost of Living Adjustments	Cost0of-living raises may be granted form the Experience Account provided there are sufficient funds need to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399.

NOTE 5: PENSIONS (CONTINUED)

Actuarial Assumptions (continued)
The long-term expected rate of return on pension plan investments was determined using a triangular method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For Fiscal 2021, the discount rate used was 8.17%

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	26%	0.76%
Equity	39%	2.84%
Alternatives	23%	1.87%
Real Estate	12%	0.60%
Totals	100%	6.07%
Inflation		2.10%
Expected Arithetic Nominal Return		8.17%

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the participating employers calculated using the discount rate of 6.90% as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of June 30, 2022:

	1.0% Decrease (5.90%)	Current Discount Rate (6.90%)	1.0% Increase (7.90%)
Employer's proportionate share of the net pension liability	$ 77,915	$ 50,593	$ 27,238

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NOTE 5: PENSIONS (CONTINUED)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued LSERS 2021 Comprehensive Annual Financial Report at www.lsers.net.

Payables to the Pension Plan – At June 30, 2022, the Board had overpaid in the amount of $292 in funds to LSERS for the June 2022 employee and employer legally required contributions.

NOTE 6: OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined-benefit, multiple-employer post-employment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System,) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. LRS 42:501-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. LRS 42:802, 42:821, and 42:851 provides the authority under which the obligations of the plan members, employers, and other contributing entities that contribute to the plan are established or may be amended.

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

OGB Participation	Employer Share	Retiree Share
Under 10 years	19%	81%
10 – 14 years	38%	62%
15 – 19 years	56%	44%
20+ years	75%	25%

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NOTE 6: OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

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

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability – At June 30, 2022, the Board reported a liability of $2,866,405 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date. The Board's proportionate share of the total collective OPEB liability at June 30, 2021, totaled $2,505,159.

The Board's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2022, the Board's proportion was 0.0313%. Because the beginning balance was restated using a rollback of the July 1, 2021, valuation assuming no experience gains or losses, there is no change to the proportion since the prior measurement date.

The total collective OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Cost Method – Entry Age Normal, level percentage of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.
- Estimated Remaining Service Lives – 4.5
- Inflation Rate – 2.40%
- Salary increase rate – consistent with the State of Louisiana's pension value assumptions
- Discount rate – as of July 1, 2021, 2.18% based on June 30, 2021 Standard & Poor's 20-year municipal bond index rate. As of July 2020, 2.66% based on June 30, 2020 Standard & Poor's 20-year municipal bond index rate.
- Mortality rates – based on the RP-2014 Blue Collar Employee Table or RP-2014 Blue Collar Health Annuity Table; both tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. , RP-2000 Disabled Retiree Mortality Table not projected with mortality improvement.
- Healthcare cost trend rates – 7% for pre-Medicare eligible employees grading down by 0.25% each year, beginning in 2023-2024 through 2031, to an ultimate rate of 4.5% after 2032; 5.5% for post-Medicare eligible employees grading down by 0.1% each year, beginning in 2023-2024, to an ultimate rate of 4.5% after 2032; the initial trend was developed using the National Health Care Trend Survey.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% as of July 1, 2020, to 2.18% as of July 1, 2021.

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NOTE 6: OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate – The following presents the Board's proportionate share of the total collective OPEB Liability using the current discount rate as well as what the Board's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (1.18%)	Current Discount Rate (2.18%)	1.0% Increase (3.18%)
Proportionate Share of Total Collective OPEB Liability	$ 3,425,819	$ 2,566,405	$ 2,433,031

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the Board's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates as well as what the Board's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
Proportionate Share of Total Collective OPEB Liability	$ 2,420,218	$ 2,566,405	$ 3,450,253

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Board recognized OPEB expense of $25,180. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 6: OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assuptions or other inputs	$ 412,309	$ (289,795)
Differnces between benefit payments and proportionate share of benefit payments	-	(34,817)
Amounts paid by the employer for OPEB subsequent to the measurement date	-	-
Total	$ 412,309	$ (324,612)

Deferred outflows of resources related to OPEB resulting from the Board's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ended	Net Amount Recognized in OPEB Expense
2023	(71,613)
2024	(2,926)
2025	58,830
2026	33,119
	$ 17,410

NOTE 7: LEASES

Operating Leases. The Board has no operating leases.

Capital Leases. The Board has no finance leases.

NOTE 8: RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

NOTE 9: JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund and are not reflected in the accompanying special purpose financial reports. The self-insurance fund is operated by the Office of Risk Management (ORM), the state agency responsible for the state's risk management program.

From time to time, the Board is involved in various legal matters which arise in the ordinary course of its operation.

As of June 30, 2022 the Board was involved in litigation related to the Board's policies for required licenses or permits for natural hair braiding. The plaintiffs contend that the Board's policies are unconstitutional and seek to permanently enjoin the Board from enforcing requirements in L.A.C. 46:XXX.1101, 1105, and 1107; nominal damages for $1 for violations of the Louisiana Constitution; and for other unspecified relief. The Board intends to oppose the plaintiffs Motion for Summary Judgment and continue to defend the claim.

NOTE 10: SUBSEQUENT EVENTS

The Board has evaluated all subsequent events through November 16, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1: Employer's Share of Net Pension Liability – LASERS

Presents the Board's Net Pension Liability to LASERS

Schedule 2: Board Contributions – LASERS

Presents the amounts of contributions the Board made to the LASERS pension system

Schedule 3: Employer's Share of Net Pension Liability – LSERS

Presents the Board's Net Pension Liability to LSERS

Schedule 4: Board Contributions – LSERS

Presents the amounts of contributions the Board made to the LSERS pension system

Schedule 5: Funding Progress for the Other Postemployment Benefits Plan

Presents certain specific data regarding the employer's proportionate share of the total collective Other Postemployment Benefits liability

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1: EMPLOYER'S SHARE OF NET PENSION LIABILITY - LASERS
For the Eight Years Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.04278%	0.03900%	0.04203%	0.04370%	0.04560%	0.04687%	0.04524%	0.04456%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 2,354,601	$ 3,226,553	$ 3,045,182	$ 2,980,172	$ 3,209,636	$ 3,680,805	$ 3,077,207	$ 2,786,288
Employer's Covered-Employee Payroll	$ 904,211	$ 818,233	$ 823,066	$ 845,675	$ 850,159	$ 881,297	$ 858,686	$ 820,930
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	260.40%	394.33%	369.98%	352.40%	377.53%	417.66%	358.36%	339.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.80%	58.00%	62.90%	64.30%	62.50%	57.70%	62.70%	65.00%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of the previous fiscal year end.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 2: EMPLOYER CONTRIBUTIONS -LASERS
For the Eight Years Ended June 30, 2022

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2022	$ 357,163	$ 338,306	$ 18,857	$ 904,211	37.41%
2021	$ 328,111	$ 357,003	$ (28,892)	$ 818,233	43.63%
2020	$ 340,279	$ 338,691	$ 1,588	$ 836,066	40.51%
2019	$ 320,511	$ 310,099	$ 10,412	$ 845,675	36.67%
2018	$ 322,210	$ 319,071	$ 3,139	$ 850,159	37.53%
2017	$ 315,504	$ 312,935	$ 2,569	$ 881,297	35.51%
2016	$ 319,431	$ 325,143	$ (5,712)	$ 858,686	37.87%
2015	$ 305,386	$ 311,786	$ (6,400)	$ 820,930	37.98%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 3: EMPLOYER'S SHARE OF NET PENSION LIABILITY - LSERS
For the Eight Years Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.010644%	0.00965%	0.009716%	0.00972%	0.00934%	0.00931%	0.00868%	0.00872%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 50,593	$ 77,550	$ 68,018	$ 64,963	$ 59,750	$ 70,222	$ 55,036	$ 50,523
Employer's Covered-Employee Payroll	$ 33,360	$ 32,392	$ 29,138	$ 28,267	$ 26,978	$ 32,300	$ 30,523	$ 27,434
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	151.66%	239.41%	233.43%	229.82%	221.48%	217.41%	180.31%	184.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.51%	69.67%	73.49%	74.44%	75.03%	70.09%	74.49%	76.18%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of the previous fiscal year end.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 4: EMPLOYER CONTRIBUTIONS - LSERS
For the Eight Years Ended June 30, 2022

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2022	$ 9,453	$ 9,108	$ 345	$ 33,360	27.30%
2021	$ 8,541	$ 10,567	$ (2,026)	$ 32,392	32.62%
2020	$ 7,974	$ 9,736	$ (1,762)	$ 29,138	33.41%
2019	$ 7,804	$ 9,342	$ (1,538)	$ 28,267	33.05%
2018	$ 7,355	$ 8,909	$ (1,554)	$ 26,978	33.02%
2017	$ 9,012	$ 8,854	$ 158	$ 32,300	27.41%
2016	$ 8,516	$ 8,802	$ (286)	$ 30,523	28.84%
2015	$ 7,654	$ 8,317	$ (663)	$ 27,434	30.32%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 5: SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE TOTAL COLLECTIVE OPEB LIABILITY
For the Five Years Ended June 30, 2021

	Fiscal Year					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**
Employer's proportion of the total collective OPEB liability	0.0313%	0.0302%	0.0324%	0.0341%	0.0340%	0.0340%
Employer's proportionate share of the total collective OPEB liability	2,866,405	2,505,159	2,502,258	2,914,278	2,951,206	3,080,991
Employer's covered-employee payroll	695,131	626,102	637,826	600,699	788,727	741,701
Employer's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll	412.35%	400.12%	392.31%	485.15%	374.17%	415.40%

*The amounts presented were determined as of the measurement date (July 1).

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

LASERS

Changes of Benefit Terms
There were no changes of benefit terms for the eight years ended June 30, 2022.

Changes of Assumptions

Year ended June 30,	Measurement Date	Discount Rate	Investment Rate of Return	Inflation Rate	Salary Increases for Regular Members
2015	6/30/2014	7.75%	7.75%	3.00%	4.00%
2016	6/30/2015	7.75%	7.75%	2.50%	4.00%
2017	6/30/2016	7.75%	7.75%	2.50%	4.00%
2018	6/30/2017	7.70%	7.70%	2.50%	3.00%
2019	6/30/2018	7.65%	7.65%	2.50%	3.85%
2020	6/30/2019	7.55%	7.55%	2.50%	2.50%
2021	6/30/2020	7.55%	7.55%	2.30%	3.00%
2022	6/30/21	7.40%	7.40%	2.30%	3.00%

LSERS

Changes of Benefit Terms
There were no changes of benefit terms for the eight years ended June 30, 2022.

Changes of Assumptions

Year ended June 30,	Measurement Date	Discount Rate	Investment Rate of Return	Inflation Rate	Salary Increases for Regular Members
2015	6/30/2014	7.25%	7.25%	2.75%	2.75%
2016	6/30/2015	7.00%	7.00%	2.75%	3.20%
2017	6/30/2016	7.13%	7.13%	2.63%	3.08%
2018	6/30/2017	7.13%	7.13%	2.63%	3.08%
2019	6/30/2018	7.06%	7.06%	2.50%	3.08%
2020	6/30/2019	7.06%	7.06%	2.50%	3.25%
2021	6/30/2020	7.00%	7.00%	2.50%	3.25%
2022	6/30/2021	6.90%	6.90%	2.50%	3.25%

OPEB

Changes of Benefit Terms
There were no changes of benefit terms for the four years ended June 30, 2021.

Changes of Assumptions
Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% as of July 1, 2020, to 2.18% as of July 1, 2021.

SUPPLEMENTARY INFORMATION

Schedule 6: Per Diem Paid to Board Members

Presents amounts paid to board members

Schedule 7: Compensation, Benefits, and Other Payments to Agency Head

Presents amounts paid to agency head

Schedule 8: Budgetary Comparison – Proprietary Fund

Presents amounts and variances for budget and actual

Annual Fiscal Report

Presents amounts reported to the Office of Statewide Reporting and Accounting Policy

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SCHEDULE 6: PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2022

Board Members	Amount
Edwin H. Neill, III	$ -
Frances Hand	-
Mella Brown	900
William Grayson	1,300
Eliza Hebert	-
Kevin Martin	600
Melinda Tilley	1,200
James Williams	500
Total Per Diem Paid to Board Members	$ 4,500

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2022.

SCHEDULE 7: COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2022

Agency Head: Stephen Young, Executive Director

Purpose	Amount
Salary	$ 75,004
Benefits – Retirement	29,627
Benefits – Health Insurance	7,912
Total Compensation, Benefits, and Other Payments to Agency Head	$ 112,543

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SUPPLEMENTARY INFORMATION

SCHEDULE 8: BUDGETARY COMPARISON - PROPRIETARY FUND
For the Year Ended June 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Fnal Budget Positive (Negative)
OPERATING REVENUES				
Licenses, Permits, & Fees	$ 1,825,000	$ 1,825,000	$ 1,761,314	$ (63,686)
Fines	135,000	135,000	57,943	(77,057)
Total Operating Revenues	1,960,000	1,960,000	1,819,257	(140,743)
OPERATING EXPENSES				
Salaries and Related Benefits	1,571,000	1,571,000	1,309,341	(261,659)
Meetings, Conferences, and Travel	65,000	65,000	58,434	(6,566)
Professional Services	165,000	165,000	81,586	(83,414)
General and Administrative	260,000	260,000	198,693	(61,307)
Depreciation	-	-	4,125	4,125
Total Operating Expenses	2,061,000	2,061,000	1,652,179	(408,821)
Operating Income (Loss)	(101,000)	(101,000)	167,078	268,078
Net Position, Beginning	(3,567,590)	(3,567,590)	(3,567,590)	
Net Position, Ending	$ (3,668,590)	$ (3,668,590)	$ (3,400,512)	

ANNUAL FISCAL REPORT (AFR)
FOR 2022

AGENCY: 20-11-16 - Louisiana State Board of Cosmetology
PREPARED BY: Sara Downing
PHONE NUMBER: 225-926-1050
EMAIL ADDRESS: sara@twru.com
SUBMITTAL DATE: 10/06/2022 09:37 AM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	1,836,449.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	1,045.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	**$1,837,494.00**
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	165,000.00
BUILDINGS AND IMPROVEMENTS	22,722.00
MACHINERY AND EQUIPMENT	0.00
INFRASTRUCTURE	0.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	0.00
INTANGIBLE RIGHT-TO-USE LEASED ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$187,722.00**
TOTAL ASSETS	**$2,025,216.00**
DEFERRED OUTFLOWS OF RESOURCES	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED OUTFLOW OF RESOURCES	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00

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LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	412,309.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	610,487.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$1,022,796.00**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$3,048,012.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	17,506.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	0.00
OTHER CURRENT LIABILITIES	101,083.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	70,286.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$188,875.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	77,311.00
LEASE LIABILITY	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
TOTAL OPEB LIABILITY	2,796,119.00
NET PENSION LIABILITY	2,405,194.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL LONG-TERM LIABILITIES	**$5,278,624.00**
TOTAL LIABILITIES	**$5,467,499.00**
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00

ANNUAL FISCAL REPORT (AFR)
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SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	324,612.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	656,413.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$981,025.00**
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	187,722.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	$(3,588,234.00)
TOTAL NET POSITION	**$(3,400,512.00)**

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STATEMENT OF ACTIVITIES

	PROGRAM REVENUES			
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	**NET (EXPENSE) REVENUE**
1,652,179.00	1,819,257.00	0.00	0.00	**$167,078.00**

GENERAL REVENUES	
PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	0.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	**$167,078.00**
NET POSITION - BEGINNING	**$(3,567,590.00)**
NET POSITION - RESTATEMENT	0.00
NET POSITION - ENDING	**$(3,400,512.00)**

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DUES AND TRANSFERS

Account Type Amounts due from Primary Government	Intercompany (Fund)		Amount
		Total	$0.00

Account Type Amounts due to Primary Government	Intercompany (Fund)		Amount
		Total	$0.00

ANNUAL FISCAL REPORT (AFR)
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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
		0.00	0.00	0.00	$ 0.00	0.00
		Totals	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Series - Unamortized Premiums:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	
			0.00	0.00	$ 0.00	
		Totals	**$0.00**	**$0.00**	**$0.00**	

Series - Unamortized Discounts:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	
			0.00	0.00	$ 0.00	
		Totals	**$0.00**	**$0.00**	**$0.00**	

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
Premiums and Discounts	$0.00	
Total	$0.00	$0.00

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2021 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	70,286.00
Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits)	0.00
For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2021 - 6/30/2022). This information will be provided to the actuary for the valuation report early next year.	0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2022 for their OPEB valuation report.)

Covered Employee Payroll for the **CURRENT** fiscal year (not including related benefits)	0.00

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FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description		Restatement Amount
	Total	**$0.00**

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SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address: LLAFileroom@lla.la.gov.

TWRU
CPAs & Financial Advisors

INDEPENDENT AUDITORS' 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*

Board Members of the
Louisiana State Board of Cosmetology
A Discrete Component Unit
of the State of Louisiana
11622 Sunbelt Court
Baton Rouge, Louisiana 70809

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, the financial statements of the business-type activities of the Louisiana State Board of Cosmetology (the "Board"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 audit 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 Board'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 audit, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
November 16, 2022

LOUISIANA STATE BOARD OF COSMETOLOGY
A DISCRETE COMPONENT UNIT OF THE STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2022

SUMMARY OF AUDITORS' REPORTS

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified Opinion
Internal control over financial reporting:	
Material weakness(es) identified	No
Significant Deficiency(ies) identified	No
Noncompliance material to financial statements noted	No

FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

None reported.

FINDINGS RELATED TO LOUISIANA AUDIT LAW

None reported.

LOUISIANA STATE BOARD OF COSMETOLOGY
A DISCRETE COMPONENT UNIT OF THE STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2022

FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

None reported.

FINDINGS RELATED TO LOUISIANA AUDIT LAW

None reported.