FINANCIAL REPORT

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

JUNE 30, 2021

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA

JUNE 30, 2021

TABLE OF CONTENTS

DHHM
certified public accountants

Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)
Felix J. Hrapmann, Jr., CPA
(1919-1990)
William R. Hogan, Jr., CPA
(1920-1996)
James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

New Orleans
1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S REPORT

December 20, 2021

Honorable Patrick Page Cortez, Co-Chair
Honorable Clay Schexnayder, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Louisiana State Law Institute, State of Louisiana (the Institute), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Louisiana State Law Institute's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Louisiana State Law Institute, State of Louisiana, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana State Law Institute, State of Louisiana's basic financial statements. The schedule of professional services is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of the Louisiana State Law Institute, State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Louisiana State Law Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana State Law Institute, State of Louisiana's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

Management's Discussion and Analysis of the Louisiana State Law Institute, State of Louisiana's (Institute) financial performance presents a narrative overview and analysis of the Institute's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Institute's net position (deficit) increased by $480,926 to ($922,691) from June 30, 2020, to June 30, 2021.

- The general revenues of the Institute were $1,109,124, which are derived from State appropriations.

- The total expenses of the Institute were $628,198, which is a decrease of $143,541. Personnel services accounted for the largest portion of this decrease.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. Management's discussion and analysis is intended to serve as an introduction to the Institute's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Institute's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Institute's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the Institute is improving or deteriorating. From the data presented, readers of the Statement of Net Position can determine the assets available to continue the operations of the Institute. Financial statement readers are also able to determine how much the Institute owes vendors and others. Finally, the Statement of Net Position provides a summary of the combined net position and their availability for expenditure.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The Statement of Activities presents information showing how the Institute's net position changed during the most recent fiscal year. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, transactions may be included that will not affect cash until future fiscal periods.

Fund Financial Statements

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 Institute uses a single fund to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Institute's only fund, the general fund.

The Institute uses only one fund type, the governmental fund. The governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Institute's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the governmental fund and the governmental activities.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Institute's budgetary comparison, proportionate share of the total collective other postemployment benefits liability, proportionate share of the net position liability, and pension contributions.

Following the required supplementary information is other supplementary information that further explains and supports the information in the financial statements.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

The following presents condensed financial information on the operations of the Louisiana State Law Institute:

Comparative Statements of Net Position
June 30, 2021 and 2020

	2021	2020	Change	Percentage Change
Assets:				
Current assets	$ 1,292,097	$ 933,514	$ 358,583	38.4 %
Capital assets, net	7,330	10,006	(2,676)	(26.7) %
Total assets	1,299,427	943,520	355,907	
Deferred Outflows of Resources:	540,889	399,090	141,799	35.5 %
Liabilities:				
Current liabilities	35,431	66,832	(31,401)	(47.0) %
Long-term liabilities	2,436,368	2,344,679	91,689	3.9 %
Total liabilities	2,471,799	2,411,511	60,288	
Deferred Inflows of Resources:	291,208	334,716	(43,508)	(13.0) %
Net Position:				
Net investment in capital assets	7,330	10,006	(2,676)	(26.7) %
Unrestricted	(930,021)	(1,413,623)	483,602	(34.2) %
Total net position (deficit)	$ (922,691)	$ (1,403,617)	$ 480,926	

Comparative Statements of Activities
For the years ended June 30, 2021 and 2020

	2021	2020	Change	Percentage Change
General revenues	$ 1,109,124	$ 1,131,401	$ (22,277)	(2.0) %
Expenses	628,198	771,739	(143,541)	(18.6) %
Change in net position	$ 480,926	$ 359,662	$ 121,264	

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Institute's investment in capital assets, net of accumulated depreciation, as of June 30, 2021, is $7,330. The investment in capital assets includes office furniture and equipment, and computer equipment. The total decrease in capital assets for the current fiscal year was approximately 26.7%. Depreciation expense accounted for the decrease.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

The Institute had no long-term debt outstanding at year-end. However, there are long-term liabilities related to other postemployment benefits, pensions, and compensated absences.

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplemental schedule and is presented in the accompanying supplementary information. Total expenditures were $457,561 less than budgeted amounts.

Act 8 of the 2020 First Extraordinary Session of the Louisiana Legislature, which made appropriations for the expenses of the legislature for fiscal year 2020-2021, mandated that the appropriations from the State General Fund be reduced by $12,851,010, pursuant to a plan adopted by the Legislative Budgetary Control Council. The Institute's portion of the reduction was $22,277.

ECONOMIC OUTLOOK

The Institute's fiscal year 2022 budget was approved with an approximate 2% increase from the prior fiscal year.

CONTACTING THE LOUISIANA STATE LAW INSTITUTE'S MANAGEMENT

This audit report is designed to provide a general overview of the Institute and to demonstrate the Institute's accountability for its finances. If you have any questions about this report or need additional information, please contact Judge Guy Holdridge, Louisiana State Law Institute, Paul M. Hebert Law Center, Room W127, University Station, Baton Rouge, Louisiana 70803-1016.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2021

	General Fund	Adjustments*		Statement of Net Position
ASSETS:				
Cash in bank	$ 1,292,097	$ -		$ 1,292,097
Capital assets				
(net of accumulated depreciation)	-	7,330	(1)	7,330
Total Assets	$ 1,292,097	7,330		1,299,427
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows of resources related to pensions	-	346,722	(2)	346,722
Deferred outflows of resources related to OPEB	-	194,167	(2)	194,167
Total deferred outflows of resources	-	540,889		540,889
Total Assets	$ 1,292,097			
LIABILITIES:				
Accounts payable	2,974	-		2,974
Accrued salaries and related benefits	24,578	-		24,578
OPEB liability	-	981,718		981,718
Compensated absences:				
Current portion	-	7,879		7,879
Noncurrent portion	-	31,516		31,516
Net pension liability	-	1,423,134		1,423,134
Total liabilities	27,552	2,444,247		2,471,799
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows of resources related to pensions	-	34,292	(2)	34,292
Deferred inflows of resources related to OPEB	-	256,916	(2)	256,916
Total deferred inflows of resources	-	291,208		291,208
FUND BALANCE/NET POSITION:				
Unassigned	1,264,545	(1,264,545)		-
TOTAL LIABILITIES AND FUND BALANCE	$ 1,292,097			
NET POSITION:				
Net investment in capital assets		7,330		7,330
Unrestricted		(930,021)		(930,021)
TOTAL NET POSITION (DEFICIT)		$ (922,691)		$ (922,691)

*Explanations:

(1) Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the General Fund.

(2) Long-term liabilities, such as compensated absences, pension liabilities, other postemployment benefits, and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported in the General Fund.

The acccompanying notes are an integral part of these financial statements.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN THE FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Adjustments*		Statement of Activities
EXPENDITURES/EXPENSES:				
Personnel services	$ 585,058	$ (93,737)	(2)	$ 491,321
Travel	4,783	-		4,783
Operating services	11,546	-		11,546
Supplies	59,946	-		59,946
Professional services	56,000	-		56,000
Other fees and services	1,208	-		1,208
Capital outlay	717	(717)	(1)	-
Depreciation	-	3,394	(1)	3,394
Total expenditures/expenses	719,258	(91,060)		628,198
GENERAL REVENUES:				
State appropriations	1,109,124	-		1,109,124
Total revenues	1,109,124	-		1,109,124
Excess (deficiency) of general revenues over expenditures/expenses	389,866	(389,866)		-
Change in net position	-	480,926		480,926
Fund Balance/Net Position (Deficit):				
Beginning of Year	874,679	(2,278,296)		(1,403,617)
End of Year	$ 1,264,545	$ (2,187,236)		$ (922,691)

*Explanations:

(1) Revenues and expenses of long-term obligations for compensated absences, pension plans and other postemployment benefits reported in Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the General Fund.

(2) Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

The acccompanying notes are an integral part of these financial statements.

NATURE OF OPERATIONS:

The Louisiana State Law Institute, State of Louisiana (the Institute) domiciled at the Law School of Louisiana State University, is chartered, created, and organized as an official advisory law revision commission, law reform agency, and legal research agency of the State of Louisiana and a part of the legislative branch of government. The Institute was created in accordance with Title 24: Chapter 4 of the Louisiana Revised Statutes of 1950.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Governmental 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 the Governmental Accounting and Reporting Guidelines. The accompanying financial statements have been prepared in accordance with such principles.

Financial Reporting Entity:

Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the Louisiana State Law Institute) to be the State of Louisiana. The accompanying financial statements of the Louisiana State Law Institute contain sub-account information of the General Fund of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements. However, the activity may be presented or classified differently due to perspective differences. The Louisiana State Law Institute has no fiduciary funds or component units.

Fund Accounting:

The Louisiana State Law Institute uses fund accounting (separate set of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The Institute has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds. The General Fund is used to account for all of the Louisiana State Law Institute's activities, including the acquisition of capital assets and the servicing of long-term liabilities.

Basis of Accounting:

Within the accompanying statements, the General Fund column of the Statement of Net Position and the Statement of Activities reports all activities of the Institute, using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

collected within 45 days of the end of the current fiscal period. Using this methodology, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures are recorded when incurred, as in accrual accounting. However, compensated absences, pension liabilities, and other postemployment benefits (OPEB) are recorded when payment is due.

The General Fund column is adjusted to create a Statement of Net Position and Statement of Activities. Within this column, amounts are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Cash In Bank:

Under state law, the Institute may deposit funds in an approved bank located in the state. Federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these public deposits. 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 bank.

Deferred Outflows of Resources and Deferred Inflows of Resources:

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure/expense) until that future time.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Capital Assets:

The accompanying statements reflect furniture, fixtures, and equipment used by the Institute and funded by legislative appropriation, in daily operations. Those assets are recorded at cost.

The accompanying statements do not include the value of land and buildings provided without cost to the Institute by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

Furniture, fixtures, and equipment with acquisition costs of $1,000 or greater are capitalized and depreciated using the straight-line method of allocating asset costs over the following useful lives:

Computer equipment	5 years
Office furniture and equipment	7 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets: (Continued)

Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs, which do not materially extend the useful life of the asset, are charged to expense as incurred.

Budgetary Practices:

The budget of the General Fund is prepared on the budgetary (legal) basis of accounting. The Institute is required to submit to the members of the Legislative Budgetary Control Council an estimate of the financial requirements of the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The Institute is authorized to transfer budget amounts between accounts in the General Fund. Revisions that alter total appropriations must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year-end, and require that any amount not expended or encumbered at the close of the fiscal year be returned to the State General Fund.

Encumbrance accounting is used during the year to reserve portions of the annual appropriation for unfilled purchase orders. Year-end encumbrances are not charged against the current year appropriation and are carried forward into the next budget year.

Compensated Absences:

Accumulated unpaid annual and compensatory leave is reported in the Statement of Net Position and Statement of Activities within the accompanying financial statements. The Institute's employees accrue unlimited amounts of annual and sick leave at varying rates, as established by the Institute's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave and any unused balance is paid to the employee upon resignation or retirement.

Postemployment Benefits:

The Institute provides certain health care and life insurance benefits for retired employees. Substantially all of the Institute's employees may become eligible for those benefits if they reach normal retirement age while working for the Institute. These benefits for retirees and similar benefits for active employees are provided through the State's Office of Group Benefits Plan whose monthly premiums are paid jointly by the employee and the Institute. The Institute recognizes the cost of providing these benefits as expenditures in the year paid in the General Fund. For the year ended June 30, 2021, those costs totaled $53,947.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance:

Fund balance is classified in the following components:

- *Nonspendable* includes fund balance amounts that cannot be spent either because it is in a nonspendable form (such as inventory) or because of legal or contractual constraints.

- *Restricted* includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers (such as grantors, bondholders, and higher levels of government) or amounts constrained due to constitutional provisions or enabling legislation.

- *Committed* includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Institute, itself, using its highest level of decision-making authority. To be reported as *committed*, amounts cannot be used for any other purpose unless the Institute takes the same highest level action to remove or change the constraint.

- *Assigned* includes fund balance amounts that the Institute intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the Institute or by an official or body to which the Institute delegates the authority.

- *Unassigned* fund balance amounts include the residual amounts of fund balance which do not fall into one of the other components. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Institute considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the Institute considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Institute has provided otherwise in its commitment or assigned actions. The Institute does not have a formal minimum fund balance policy.

Noncurrent Liabilities:

Noncurrent liabilities include estimated amounts for accrued compensated absences, other postemployment benefits, and net pension liabilities that will not be paid within the next fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Noncurrent Liabilities: (Continued)

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 additions to/deductions from LASERS's fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Net Position:

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

a) *Net investment in capital assets*, consisting of the Institute's total investment in capital assets, net of accumulated depreciation.

b) *Unrestricted*, consisting of resources derived from state appropriations. These resources are used for transactions relating to general operations of the Institute and may be used at its discretion to meet current expenses and for any purpose.

Adoption of New Accounting Principles:

For the year ended June 30, 2021, the following statements were effective, but did not impact the financial statements of the Louisiana State Law Institute, State of Louisiana: GASB Statement No. 84, *Fiduciary Activities*; GASB Statement No. 90, *Majority Equity Interests*; and GASB Statement No. 93, *Replacement of Interbank Offered Rates*.

2. CASH IN BANK:

At June 30, 2021, the carrying amount of the Institute's cash account was $1,292,097, and the bank balance was $1,328,417. These balances are entirely secured from risk by federal depository insurance or by pledged securities held by the Institute's custodial bank in the name of the Institute.

3. PENSION PLAN:

Plan Description:

Employees of the Institute are members of a statewide, public employee retirement system, the Louisiana State Employees' Retirement System (LASERS). The plan is administered by a separate board of trustees and is a cost-sharing, multiple-employer defined benefit pension plan. The State of Louisiana guarantees benefits granted by the retirement system by provisions of the Louisiana Constitution of 1974. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The system issues an annual, publicly available financial report that includes financial statements and required supplementary information for the system. The report for LASERS may be obtained at www.lasersonline.org.

Benefits Provided:

Retirement Benefits

LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414.

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. The 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, or at age 60 upon completing five to ten years of creditable service depending on their plan. These 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. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. 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.

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.

3. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Retirement Benefits (Continued)

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 12 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.

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 and judges 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 the 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 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

3. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Deferred Benefits (Continued)

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 of LASERS 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 of LASERS receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 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 10 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, two years being earned immediately prior to death, and in 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.

3. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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:

Employee contribution rates are established by La. R.S. 11:62. The employer contribution rates are established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. LASERS pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. The employee contribution rate for LASERS was 8% of covered payroll, except for LASERS members hired before July 1, 2006, who contribute 7.5% of covered payroll. For the year ended June 30, 2021, the employer contribution rate for LASERS was 40.1%. Employer contributions to LASERS were $134,132 for the year ended June 30, 2021.

All Institute employees who are members of LASERS in one of the Regular Plans and contributions are made at the applicable rates based on their hire date. There were no non-employer contributing entity contributions.

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

At June 30, 2021, the Institute reported a liability of $1,423,134 for its proportionate share of LASERS' net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date. The Institute's proportion of the net pension liability for LASERS's was based on a projection of the Institute's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Institute's proportion for LASERS was 0.01721%. This reflects a decrease of 0.00058% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Institute recognized pension expense in the amount of $87,919 for which there were no forfeitures.

3. PENSION PLAN: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

At June 30, 2021, the Institute reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes of assumptions	$ 4,555	$ -
Differences between expected and actual experience	-	13,667
Net difference between projected and actual earnings on pension plan investments	208,035	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	20,625
Employer contributions subsequent to the measurement date	134,132	-
Total	$ 346,722	$ 34,292

During the year ended June 30, 2021, employer contributions totaling $134,132 were made subsequent to the measurement date. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized in pension expense as follows:

Year Ending June 30:	
2022	$ 5,871
2023	59,993
2024	64,288
2025	48,146
Total	$ 178,298

3. PENSION PLAN: (Continued)

Actuarial Assumptions:

The total pension liabilities for LASERS in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected remaining service lives	2 years
Investment rate of return	7.55% per annum, net of investment expenses
Inflation rate	2.30% per annum
Projected salary increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increases for specific types of members range from 2.6%-13.8%.
Cost-of-living adjustments	None, since they are not deemed to be substantively automatic.
Mortality	**Non-disabled members** - Mortality rates based on 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 improvement.
Termination and disability	Termination, disability and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.

3. PENSION PLAN: (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 2.30% and an adjustment for the effect of rebalancing/ diversification. The resulting expected long-term rate of return is 8.25%. The target allocation and 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, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	-0.59%
Domestic Equity	23%	4.79%
International Equity	32%	5.83%
Domestic Fixed Income	6%	1.76%
International Fixed Income	10%	3.98%
Alternative Investments	22%	6.69%
Risk Parity	7%	4.20%
Total	100%	5.81%

Discount Rate:

The discount rate used to measure the total pension liability for LASERS was 7.55%. 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 contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the system'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.

3. PENSION PLAN: (Continued)

Sensitivity of the Institute's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Institute's proportionate share of the net pension liability of LASERS as of June 30, 2021 using the current discount rate of 7.55%, as well as what the Institute'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:

1.00% Decrease 6.55%	Current Discount Rate 7.55%	1.00% Increase 8.55%
$ 1,748,810	$ 1,423,134	$ 1,146,762

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for LASERS at www.lasersonline.org.

Payable to the Pension Plan:

At June 30, 2021, the payable to LASERS was $6,355 for June 2021 employee and employer legally required contributions.

4. CAPITAL ASSETS:

Below is a summary of the changes in the capital assets for the year ended June 30, 2021:

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021
Computer equipment	$ 18,220	$ 718	$ -	$ 18,938
Office furniture and equipment	20,301	-	-	20,301
Less: accumulated depreciation	(28,515)	(3,394)	-	(31,909)
Total capital assets, net	$ 10,006	$ (2,676)	$ -	$ 7,330

5. LITIGATION, CLAIMS AND SIMILAR CONTINGENCIES:

Losses arising from litigation, claims, and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims, and similar contingencies are not recognized in the accompanying financial statements.

At June 30, 2021 the Institute was not involved in any lawsuits or threated litigations.

6. OTHER COSTS:

The State of Louisiana, through other appropriations, provides office space, utilities, and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

7. USE OF ESTIMATES:

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

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

Substantially all Institute employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Institute. The offering is from the State Office of Group Benefits (OGB) which also offers a life insurance plan. Information about the plan is presented below.

Plan Description:

The Institute's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), a cost-sharing, multiple-employer defined benefit plan but classified as an agent multiple-employer defined benefit OPEB Plan for financial reporting purposes since the plan is not administered as a formal trust. The Office of Group Benefits administers the plan.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Government Accounting Standards Board (GASB) Statement No. 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2021.

The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Comprehensive Annual Financial Report (CAFR). A copy of the CAFR may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Benefits Provided:

The OPEB Plan provides medical, prescription drug, and life insurance benefits to eligible active employees, retirees, disabled retirees, and their 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. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits.

Contributions:

The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802. 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. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving benefits. The retirees contribute to the cost of their postemployment benefits based on a service schedule.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. Employer contributions to the OPEB plan were $53,947 during the year ended June 30, 2021. 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.

The employer contribution percentage is based on the date of participation in an OGB plan 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:

Service	Employer Contribution Percentage	Retiree Contribution Percentage
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Contributions: (Continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. The life insurance benefits offered by the State OGB Plan are also available to retirees who elect to participate in the LSU System Health Plan. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. The total monthly premium for retirees varies according to age group.

While actuarially determined, the plan rates must be approved by OGB under R.S. 42:851(B). Plan rates are in effect for one year, and members have the opportunity to switch providers during the open enrollment period, which usually occurs during October.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2021, the Institute reported a liability of $981,718 for its proportionate share of the collective total OPEB liability. The collective total OPEB liability was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date. The Institute's proportionate share percentage is based on a projection of the Senate’s total OPEB liability in relation to the projected total OPEB liability of all participating employers, actuarially determined. As of July 1, 2020, the Institute's proportion was 0.0118%, a decrease of 0.0015% since July 1, 2019.

For the year ended June 30, 2021, the Institute recognized OPEB expense of $(46,932). As of June 30, 2021, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 25,667	$ 93,943
Change in proportion	53,389	161,083
Difference between expected and actual experience	22,578	1,890
Differences between employer contributions and proportionate share of contributions	38,586	-
Employer contributions subsequent to the measurement date	53,947	-
Total	$ 194,167	$ 256,916

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of $53,947 will be recognized as a reduction of the OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: (Continued)

Year ending June 30:	
2022	$ (34,461)
2023	(42,708)
2024	(34,084)
2025	(5,443)
Total	$ (116,696)

Actuarial Assumptions:

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

Valuation Date	July 1, 2020
Measurement Date	July 1, 2020
Actuarial cost method	Entry Age Normal, level percentage of pay
Actuarial assumptions:	
Expected Remaining Service Lives	4.5 years
Inflation rate	Consumer Price Index 2.80%
Salary increase rate	Consistent with the pension valuation assumptions disclosed in note 2
Discount rate	2.66% based on June 30, 2020, Standard & Poor's 20-year municipal bond index
Mortality rates	For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, and then projected on a fully generational basis by Mortality Improvement Scale MP-2018. For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018. For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.
Healthcare cost trend rates	6.75% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2021-2022, to an ultimate rate of 4.5% in 2029; 5.25% for post-Medicare eligible employees grading down by .25% each year, beginning in 2021-2022, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB): (Continued)

Discount Rate:

The discount rate used to measure the total OPEB liability decreased to 2.66% in the July 1, 2020 valuation from 2.79% as of July 1, 2019.

Sensitivity of the Institute's Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate:

The following presents the Institute's proportionate share of the collective total OPEB liability, as well as what the Institute's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Proportionate Share of the Collective Total OPEB Liability	$ 1,140,864	$ 981,718	$ 854,153

Sensitivity of the Institute's Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the Institute's proportionate share of the collective total OPEB liability, as well as what the Institute's proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Proportionate Share of the Collective Total OPEB Liability	$ 850,560	$ 981,718	$ 1,148,091

Payables to the OPEB Plan:

As of June 30, 2021, the Institute reported a payable of $-0- for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

9. RISK MANAGEMENT:

The Institute limits its exposure to risk of loss through the Office of Risk Management, a statewide insurance program. Through the payment of premiums to the program, the Institute transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

10. CHANGES IN LONG-TERM LIABILITIES:

The following is a summary of the changes in the Institute's long-term liabilities for the year ended June 30, 2021:

	Balance July 01, 2020	Additions	Deletions	Balance June 30, 2021	Amount Due Within One Year
Compensated absences	$ 39,986	$ 4,149	$ (4,740)	$ 39,395	$ 7,879
	$ 39,986	$ 4,149	$ (4,740)	$ 39,395	$ 7,879

11. DEFICIT NET POSITION:

The Institute reported a deficit unrestricted net position of $922,691 as of June 30, 2021. This deficit is due to the recording of net pension liability and other postemployment benefits on the government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE- GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Actual Amounts			Budgeted Amounts Original and Final	Variance with Final Budget
	GAAP Basis	GAAP to Budget Differences Over (Under)	Budgetary Basis		
REVENUES:					
State appropriations	$ 1,109,124	$ -	$ 1,109,124	$ 1,131,401	$ (22,277)
EXPENDITURES:					
Personnel services	585,058	1,513	586,571	786,503	(199,932)
Travel	4,783	-	4,783	179,277	(174,494)
Operating services	11,546	-	11,546	35,931	(24,385)
Supplies	59,946	-	59,946	13,000	46,946
Professional services	56,000	-	56,000	83,250	(27,250)
Other fees and services	1,208	-	1,208	33,440	(32,232)
Capital outlay	717	-	717	-	717
Total expenditures	719,258	1,513	720,771	1,131,401	(410,630)
Net change in fund balance	389,866	(1,513)	388,353	-	388,353
Fund balances - beginning	874,679	26,091	900,770	-	900,770
Fund balances - ending	$ 1,264,545	$ 24,578	$ 1,289,123	$ -	$ 1,289,123

Explanation of differences:

(1) Personnel services and related benefits are budgeted only to the extent expected to be paid, rather than on the modified accrual basis.

(2) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the budget. (See Note 1 for a description of the Louisiana State Law Institute's budgetary accounting method.) This amount differs from the fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because of the cumulative effect of transactions such as those described above.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE
COLLECTIVE TOTAL OPEB LIABILITY
FOR THE FOUR YEARS ENDED JUNE 30, 2021

Fiscal Year*	Proportion of the Collective Total OPEB Liability	Proportionate Share of Collective Total OPEB Liability	Employer's Covered Payroll	Proportionate Share of the Collective Total OPEB Liability as a % of Covered Payroll
2021	0.0118%	$ 981,718	$ 257,255	382%
2020	0.0133%	1,024,182	239,451	428%
2019	0.0145%	1,238,419	194,343	637%
2018	0.0128%	1,108,730	313,823	353%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

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

See accompanying notes.

1. STATE OGB PLAN:

There are no assets are accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement No. 75 to pay benefits.

Changes in Assumptions:

- The valuation report as of July 1, 2017 increased the discount rate from 2.71% to 3.13%.

- The valuation report as of July 1, 2018 made the following changes:

  - The discount rate decreased from 3.13% to 2.98%.

  - Baseline per capita costs were adjusted to reflect 2018 claims and enrollment, and retiree contributions were updated based on 2019 premiums. The impact of the high cost excise tax was revisited, reflecting updated plan premiums.

  - The percentage of future retirees assumed to elect medical coverage was adjusted based on recent plan experience.

  - Demographic assumptions were revised for the Teachers' Retirement System of Louisiana, Louisiana School Employees Retirement System, and Louisiana State Police Retirement System to reflect recent experience studies.

  - Mortality assumptions for members in LASERS were updated from using projection scale MP-2017 to using projection scale MP-2018.

- The valuation report as of July 1, 2019 made the following changes:

  - The discount rate decreased from 2.98% to 2.79%.

  - Baseline per capita costs were adjusted to reflect 2019 claims and enrollment, and retiree contributions were updated based on 2020 premiums.

  - Life insurance contributions were updated to reflect 2020 premium schedules.

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

  - Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience studies.

1. STATE OGB PLAN: (Continued)

Changes in Assumptions: (Continued)

- The valuation report as of July 1, 2020, made the following changes:

  - The discount rate decreased from 2.79% to 2.66%.

  - Baseline per capita costs were adjusted to reflect 2020 claims and enrollment, and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, this experience was not believed to be reflective of what can be expected in future years.

  - The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

  - Medical participation rates, life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan election percentages have all been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Payroll	Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2021	0.01721%	$ 1,423,134	$ 358,030	397.5%	58.0%
2020	0.01779%	1,288,508	331,440	388.8%	62.9%
2019	0.01481%	1,009,895	378,684	266.7%	64.3%
2018	0.02270%	1,597,533	421,389	379.1%	62.5%
2017	0.02482%	1,948,846	477,171	408.4%	57.7%
2016	0.02494%	1,695,956	523,052	324.2%	62.7%
2015	0.02354%	1,472,118	289,285	508.9%	65.0%
2014	0.01042%	759,349	202,218	375.5%	58.6%

The schedule is intended to report information for ten years. Additional years will be displayed as they become availabl
The amounts presented have a measurement date of the previous fiscal year.

See accompanying notes.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Payroll	Contributions as Contributions as a Percentage of Covered-Payroll
2021	$ 134,758	$ 134,132	$ 626	$ 336,055	39.9%
2020	145,618	145,618	-	358,030	40.7%
2019	125,616	127,322	(1,706)	331,440	38.4%
2018	143,521	142,147	1,374	378,684	37.5%
2017	150,857	151,007	(150)	421,389	35.8%
2016	176,184	176,184	-	477,171	36.9%
2015	194,872	194,872	-	523,052	37.2%
2014	91,123	91,123	-	289,285	37.2%

The schedule is intended to report information for ten years. Additional years will be displayed as they become available.

See accompanying notes.

1. CHANGES OF BENEFIT TERMS:

LASERS:

(a) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

(b) A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.

2. CHANGES IN ASSUMPTIONS:

LASERS:

(a) Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.0% to 2.75%. The inflation rate was reduced to 2.50% for the June 30, 2019 valuation. The inflation rate was reduced to 2.30% for the June 30, 2020 valuation.

(b) Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

(c) Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation, reduced to 7.65% for the June 30, 2018 valuation, reduced to 7.60% for the June 30, 2019 valuation, and reduced to 7.55% for the June 30, 2020 valuation.

(d) Salary increases used to measure the total pension liability changed from a range of 3.00% to 14.50% in the 2016 valuation to a range of 2.80% to 14.30% in the 2017 valuation. Salary increases used to measure total pension liability changed to a range of 2.80% to 14.00% in the June 30, 2019 valuation. Salary increases used to measure the total pension liability changed to a range of 2.60% to 13.80% in the June 30, 2020 valuation.

(e) Retirement, termination, disability, inflation, salary increase, and expected service life assumptions and methods were updated with the June 30, 2019, valuation to reflect the results of the most recent experience study observed for the period of July 1, 2013 through June 30, 2018.

SUPPLEMENTARY INFORMATION

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROFESSIONAL SERVICES
JUNE 30, 2021

Gay Simpson	$ 32,000
Andrea Carroll	5,000
William R. Forrester, Jr.	3,500
Karen Hallstrom	2,500
Melissa Lonegrass	1,500
Sally Brown Richardson	1,000
Donald W. Price	500
Patrick S. Ottinger	1,000
Randy Roussel	3,500
Charles M. Thomas	1,500
Ronald J. Scalise, Jr.	1,500
Stephen G. Sklamba	2,500
	$ 56,000

DHHM
certified public accountants

Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA (1919-1985)
Felix J. Hrapmann, Jr., CPA (1919-1990)
William R. Hogan, Jr., CPA (1920-1996)
James Maher, Jr., CPA (1921-1999)

Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

New Orleans
1615 Poydras Street, Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore
1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma
247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville
5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S 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*

December 20, 2021

Honorable Clay Schexnayder, Co-Chair
Honorable Patrick Page Cortez, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Louisiana State Law Institute, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Louisiana State Law Institute's basic financial statements, and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Louisiana State Law Institute's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing opinions on the effectiveness of the Louisiana State Law Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana State Law Institute'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 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 may exist that have not been identified. We did identify a certain deficiency in internal control, 2021-01, which we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana State Law Institute's financial statements are free of 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.*

Management's Response to Findings

Management's response to the finding identified is described in the accompanying schedule of findings. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Louisiana State Law Institute for the year ended June 30, 2021 was unmodified.

2. Internal Control
   Material weaknesses: none noted.
   Significant deficiency: See current year finding 2021-01.

3. Compliance and Other Matters
   Noncompliance material to financial statements: none noted.

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

2021-01 Inadequate Segregation of Duties:

Condition: The Institute is not large enough to permit an adequate segregation of employee duties for effective internal control over the purchasing (invoice approval, processing, and general ledger) and reporting (journal entry preparation, approval, and recordation) cycles.

Criteria: The processing of purchases and journal entries under the control of one person represents a failure to segregate the incompatible accounting activities.

Effect: The effect is such that errors, either intentional or unintentional, in the processing of purchases and journal entries could occur and not be detected in a timely manner and in the ordinary course of operations.

Cause: The size of the Institute and the limited number of employees do not permit an adequate segregation of incompatible duties.

Recommendation: Due to the size of the Institute's operations, it does not have sufficient staff to establish adequate segregation of duties. Management should consider if the cost associated with reducing this deficiency in the design or operation of the internal control is considered to be justified.

Auditee Response: Management has noted this condition and has determined that the cost necessary to establish adequate segregation of duties is not justifiable at this time.

LOUISIANA STATE LAW INSTITUTE
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF PRIOR YEAR FINDINGS:

2021-01 Inadequate Segregation of Duties:

Condition: The Institute is not large enough to permit an adequate segregation of employee duties for effective internal control over the purchasing (invoice approval, processing, and general ledger) and reporting (journal entry preparation, approval, and recordation) cycles.

Status: See Finding 2021-01.