FINANCIAL REPORT

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA

JUNE 30, 2023

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

December 19, 2023

Honorable Patrick Page Cortez, Jr.,
President of the Senate
Honorable Clay Schexnayder, Speaker of
the House of Representatives
Legislative Fiscal Office
State of Louisiana
Baton Rouge, LA 70804

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Legislative Fiscal Office, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Legislative Fiscal Office, State of Louisiana'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 governmental activities and the major fund of the Legislative Fiscal Office, State of Louisiana as of June 30, 2023, 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.

Basis for Opinions

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. 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 Legislative Fiscal Office, State of Louisiana 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 Legislative Fiscal Office, State of Louisiana'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 in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Legislative Fiscal Office, State of Louisiana'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 Legislative Fiscal Office, State of Louisiana'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 identify 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 other required supplementary information, as listed in the table of contents, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of the Legislative Fiscal Office, 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 Legislative Fiscal Office, State of Louisiana'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 Legislative Fiscal Office, State of Louisiana's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Management's discussion and analysis of the Legislative Fiscal Office, State of Louisiana's financial performance presents a narrative overview and analysis of the Legislative Fiscal Office's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. This analysis should be read in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Legislative Fiscal Office's net position increased by $1,436,368.
- The general revenues of the Legislative Fiscal Office were $3,638,849, which is an increase of $480,000, or 15.2%.
- The total expenses of the Legislative Fiscal Office were $2,203,407 which is an increase of $63,726 from the prior year, or 3.0%. OPEB expenses accounted for the largest portion of the increase.

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 Legislative Fiscal Office'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 Legislative Fiscal Office's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Legislative Fiscal Office's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. This statement is designed to display the financial position of the Legislative Fiscal Office. Over time, increases or decreases in net position help determine whether the Legislative Fiscal Office's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Legislative Fiscal Office'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 are included that will not affect cash until future fiscal periods.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 Legislative Fiscal Office 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 Legislative Fiscal Office's only fund, the General Fund.

The Legislative Fiscal Office 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 Legislative Fiscal Office'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 the Financial Statements

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

Other Information

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

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Legislative Fiscal Office, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $3,599,532 at the close of the most recent fiscal year. Included in the Legislative Fiscal Office's net position is its net investment in capital assets. These assets are not available for future spending.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES (Continued)

The following presents condensed comparative statements of net position of the Legislative Fiscal Office:

COMPARATIVE CONDENSED STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022	Change	Percentage Change
Assets:				
Current assets	$ 3,626,891	$ 2,752,869	$ 874,022	31.7%
Capital assets, net	38,362	21,603	16,759	77.6%
Total assets	3,665,253	2,774,472	890,781	32.1%
Deferred Outflows of Resources	1,678,266	1,522,663	155,603	10.2%
Liabilities:				
Current liabilities	126,369	182,874	(56,505)	(30.9%)
Long-term liabilities	7,223,041	6,885,969	337,072	4.9%
Total liabilities	7,349,410	7,068,843	280,567	4.0%
Deferred Inflows of Resources	1,593,641	2,264,192	(670,551)	(29.6%)
Net Position:				
Net investment in capital assets	38,362	21,603	16,759	77.6%
Unrestricted	(3,637,894)	(5,057,503)	1,419,609	28.1%
Total net position (deficit)	$ (3,599,532)	$ (5,035,900)	$ 1,436,368	28.5%

Total assets of the Legislative Fiscal Office increased by $890,781, or 32.1%. The majority of this increase is due to an increase in the Legislative Fiscal Office's cash. Cash increased by $873,756, or 31.8%, in the current year primarily due to increased state appropriations revenues.

Total deferred outflows of resources of the Legislative Fiscal Office increased by $155,603, or 10.2%. The increase in deferred outflows of resources is due primarily to an increase in pension-related deferred outflows of resources for the differences between projected and actual earnings on pension plan investments.

Total liabilities of the Legislative Fiscal Office increased by $280,567, or 4.0%. The increase in liabilities is due primarily to an increase in the net pension liability in the current year.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES (Continued)

Total deferred inflows of resources of the Legislative Fiscal Office decreased by $670,551, or 29.6%. The decrease in deferred inflows of resources is primarily due to a decrease in pension-related deferred inflows of resources for the differences between projected and actual earnings on pension plan investments and a decrease in OPEB-related deferred inflows of resources for changes in assumptions related to OPEB (LSU System Health Plan).

The following presents the condensed comparative statements of activities of the Legislative Fiscal Office:

COMPARATIVE CONDENSED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022	Change	Percentage Change
General revenues	$ 3,638,849	$ 3,158,849	$ 480,000	15.2%
Expenses	2,203,407	2,139,681	63,726	3.0%
Other financing sources	926	813	113	13.9%
Change in net position	$ 1,436,368	$ 1,019,981	$ 416,387	40.8%

The statement of activities reflects a positive change for the year. Net position increased by $1,436,368 in 2023, compared to an increase of $1,019,981 in 2022. The increase is primarily related to increased State General Fund appropriations revenue in the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Legislative Fiscal Office's investment in capital assets, net of accumulated depreciation, as of June 30, 2023 is $38,362. The investment in capital assets consists of computer equipment. The total increase in capital assets for the current fiscal year was 77.6%, which was due primarily the purchases of computer equipment in the current year.

The Legislative Fiscal Office has no long-term debt outstanding at year-end. However, there are long-term liabilities related to other postemployment benefits, net pension liabilities, and compensated absences.

BUDGET ANALYSIS

A comparison of budget to actual operations is presented in the accompanying required supplementary information. The Legislative Fiscal Office's expenditures were $394,795 below budgeted amounts. Actual revenues exceeded budgeted revenues due to an additional state general fund appropriation of $480,000 appropriated with Act No. 198 of the 2022 Regular Session of the Louisiana Legislature.

ECONOMIC OUTLOOK

The Legislative Fiscal Office's fiscal year 2024 budget was approved with an approximate 3.4% increase in State General Fund appropriations from the prior fiscal year.

CONTACTING THE LEGISLATIVE FISCAL OFFICE'S MANAGEMENT

This audit report is designed to provide a general overview of the Legislative Fiscal Office and to demonstrate the Legislative Fiscal Office's accountability for its finances. If you have any questions about this report or need additional information, please contact the Legislative Fiscal Office, State of Louisiana, P.O. Box 44097, Capitol Station, Baton Rouge, Louisiana 70804.

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2023

	General Fund	Adjustments*		Statement of Net Position
ASSETS:				
Cash in bank	$ 3,623,664	$ -		$ 3,623,664
Other assets	3,227	-		3,227
Capital assets (net of allowance for depreciation)	-	38,362	(1)	38,362
Total Assets	3,626,891	38,362		3,665,253
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	-	1,105,723	(2)	1,105,723
Deferred outflows related to OPEB	-	572,543	(2)	572,543
Total Deferred Outflows of Resources	-	1,678,266		1,678,266
Total Assets	$ 3,626,891			
LIABILITIES:				
Accounts payable	$ 1,844	-		1,844
Accrued salaries and related benefits	40,058	-		40,058
Compensated absences:				
Current portion	-	84,467	(2)	84,467
Noncurrent portion	-	229,230	(2)	229,230
OPEB payable	-	2,179,994	(2)	2,179,994
Net pension liability	-	4,813,817	(2)	4,813,817
Total Liabilities	41,902	7,307,508		7,349,410
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	-	552,881	(2)	552,881
Deferred inflows related to OPEB	-	1,040,760	(2)	1,040,760
Total Deferred Inflows of Resources	-	1,593,641		1,593,641
FUND BALANCE/NET POSITION:				
Assigned	2,493,691	(2,493,691)		-
Unassigned	1,091,298	(1,091,298)		-
Total Fund Balance	3,584,989			
Total Liabilities and Fund Balance	$ 3,626,891			
NET POSITION:				
Net investment in capital assets		38,362		38,362
Unrestricted		(3,637,894)		(3,637,894)
TOTAL NET POSITION (DEFICIT)		$ (3,599,532)		$ (3,599,532)

*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, net pension liability, and other postemployment benefits payable, and the deferred inflows and outflows related to those long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.

See accompanying notes.

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN THE FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Adjustments*		Statement of Activities
EXPENDITURES/EXPENSES:				
Personnel services	$ 2,540,246	$ (470,978)	(1)	$ 2,069,268
Professional services	13,091	-		13,091
Travel	12,567	-		12,567
Operating services	52,955	-		52,955
Supplies	12,394	-		12,394
Capital outlay	59,891	(31,302)	(2)	28,589
Depreciation	-	14,543	(2)	14,543
Total Expenditures/Expenses	2,691,144	(487,737)		2,203,407
GENERAL REVENUES:				
State appropriations	3,638,849	-		3,638,849
Total General Revenues	3,638,849	-		3,638,849
Excess (Deficiency) of Revenues over Expenditures/Expenses	947,705	(947,705)		-
OTHER FINANCING SOURCES (USES):				
Interagency transfers in	1,000	-		1,000
Interagency transfers out	(74)	-		(74)
Total Other Financing Sources	926	-		926
Excess (Deficiency) of Revenues over Expenditures/Expenses and Other Financing Sources	948,631	(948,631)		-
CHANGE IN NET POSITION	-	1,436,368		1,436,368
FUND BALANCE/NET POSITION (DEFICIT):				
Beginning of year	2,636,358	(7,672,258)		(5,035,900)
End of year	$ 3,584,989	$ (7,184,521)		$ (3,599,532)

*Explanations

(1) Expenses and revenues of long-term obligations for compensated absences, pension plans, and other postemployment benefits reported in the 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 outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

See accompanying notes.

NATURE OF OPERATIONS

The Legislative Fiscal Office, created by Title 24, Chapters 601 through 605 of the Louisiana Revised Statutes provides research and technical assistance concerning fiscal matters for the Legislative branch of government.

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 Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared in accordance with such principles.

Financial Reporting Entity:

The application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the Legislative Fiscal Office) to be the State of Louisiana. The accompanying financial statements of the Legislative Fiscal Office 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 Legislative Fiscal Office has no fiduciary funds or component units.

Fund Accounting:

The Legislative Fiscal Office 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 Legislative Fiscal Office has only a General Fund, supported by an appropriation from the State of Louisiana. The General Fund accounts for all of the Legislative Fiscal Office'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 Legislative Fiscal Office 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

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 collected within 45 days of the end of the current fiscal period. However, as management considers it available regardless of when received, 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 a liability is incurred, as in accrual accounting. However, compensated absences, pension costs, and other postemployment benefits (OPEB) costs are recorded when payment is due.

The General Fund column is adjusted to create a Statement of Net Position and a 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 Banks:

The Legislative Fiscal Office defines cash as interest-bearing demand deposits. Under state law, the Legislative Fiscal Office may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana and designated by the presiding officer of the Legislative Fiscal Office. These deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Capital Assets:

The accompanying Statement of Net Position reflects furniture, fixtures, and equipment used by the Legislative Fiscal Office, and funded by legislative appropriation, in daily operations. The assets are recorded at cost.

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

Capital assets with acquisition costs of $1,000 or greater are capitalized, recorded at cost, and are depreciated using the straight-line method of allocating costs over the following useful lives:

Furniture, fixtures, and equipment	5 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets: (Continued)

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are not capitalized.

Deferred Outflows of Resources and Deferred Inflows of Resources:

A deferred outflow of resources represents 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.

A deferred inflow of resources represents 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.

Budgetary Practices:

The Legislative Fiscal Office is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The Legislative Fiscal Office 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 unless otherwise re-appropriated by subsequent legislative action. Current appropriation legislation authorizes such re-appropriation of prior year funds.

The budget of the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the Legislative Fiscal Office includes the prior year’s fund balance represented by appropriate liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The result of operations on a GAAP basis does not recognize the fund balance allocation as revenue as it represents prior period’s excess of revenues over expenditures.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Compensated Absences:

Accumulated unpaid annual and compensatory leave is reported in the Statement of Net Position and the Statement of Activities within the accompanying financial statements. The Legislative Fiscal Office's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the Legislative Fiscal Office'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 unlimited 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 compensatory leave of up to 300 hours is paid to the employee upon resignation or retirement.

Postemployment Benefits:

The Legislative Fiscal Office, State of Louisiana, provides certain healthcare and life insurance benefits for retired employees. Substantially all of the Legislative Fiscal Office's employees may become eligible for those benefits if they reach normal retirement age while working for the Legislative Fiscal Office. These benefits for retirees and similar benefits for active employees are provided through the State's Office of Group Benefits Plan and the LSU System Health Plan. Monthly premiums are paid jointly by the employee and the Legislative Fiscal Office. The Legislative Fiscal Office recognizes the cost of providing these benefits as expenditures in the year paid in the General Fund. For the year ended June 30, 2023, those costs totaled $115,405, which covered 15 retired employees, funded through the legislative appropriation.

Fund Balance:

Fund balance is classified in the following components:

(a) *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.

(b) *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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance: (Continued)

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

(d) *Assigned* includes fund balance amounts that the Legislative Fiscal Office intends to use for specific purposes that are neither considered *restricted* nor *committed*. Intent can be expressed by the Legislative Fiscal Office or by an official or body to which the Legislative Fiscal Office delegates the authority.

(e) *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.

The Legislative Fiscal Office applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Legislative Fiscal Office does not have a formal minimum fund balance policy.

Noncurrent Liabilities:

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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* consists of the Legislative Fiscal Office's total investment in capital assets, net of accumulated depreciation.

(b) *Restricted* consists of resources restricted by external sources such as creditors, grantors, contributors, or by law.

(c) *Unrestricted* consists of resources derived from state appropriations. These resources are used for transactions relating to general operations of the Legislative Fiscal Office and may be used at its discretion to meet current expenses and for any purpose.

Estimates:

The preparation of financial statements in conformity 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Principles:

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (with underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The statement established uniform accounting and financial reporting requirements for SBITAs; improved the comparability of government's financial statements; and enhances the understandability, reliability, relevance, and consistence of information about SBITAs. The Legislative Fiscal Office has analyzed the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, and has concluded that there are no material contracts which qualify for adjustment or disclosure under the new statement. Therefore, no restatement of prior periods or cumulative effect adjustment recorded in the year of adoption, was considered necessary.

The following GASB statement was effective but did not impact the financial statements of the Legislative Fiscal Office: GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

2. CASH IN BANK:

At June 30, 2023, the carrying amount of the Legislative Fiscal Office's cash account was $3,623,664, and the bank balance was $3,664,770. These balances are entirely secured from risk by federal depository insurance or by pledged securities held by the Legislative Fiscal Office's custodial bank in the name of the Legislative Fiscal Office.

3. CAPITAL ASSETS:

Below is a summary of activity in the Legislative Fiscal Office's capital asset accounts during the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Furniture, fixtures, and equipment	$ 76,354	$ 31,302	$ -	$ 107,656
Less: accumulated depreciation	(54,751)	(14,543)	-	(69,294)
Capital assets, net	$ 21,603	$ 16,759	$ -	$ 38,362

4. PENSION PLAN:

Plan Description:

Substantially all employees of the Legislative Fiscal Office 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 reports 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, and at age 60 upon completing 10 years of creditable service depending on their plan.

4. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Retirement Benefits: (Continued)

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 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.

4. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Retirement Benefits: (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 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 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.

4. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

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 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.

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 rate is 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. Each plan 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.

4. PENSION PLAN: (Continued)

Contributions: (Continued)

The employee contribution rate for LASERS is 8% of covered payroll, except for LASERS members hired before July 1, 2006, who contribute 7.5% of covered payroll. For fiscal year 2023, the employer contribution rate for LASERS was 40.4%. Employer contributions to LASERS were $617,337 for the year ended June 30, 2023. 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, 2023, the Legislative Fiscal Office reported a liability for LASERS of $4,813,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date. The Legislative Fiscal Office's proportion of the net pension liability for the retirement system was based on a projection of the Legislative Fiscal Office'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 Legislative Fiscal Office's proportion for LASERS was 0.06368%. This reflects a decrease for LASERS of 0.01844% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Legislative Fiscal Office recognized pension expense, for which there were no forfeitures, as follows:

	Pension Expense
LASERS	$ 144,104

At June 30, 2023, the Legislative Fiscal Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources LASERS	**Deferred Inflows of Resources LASERS**
Differences between expected and actual experience	$ 13,128	$ -
Net difference between projected and actual earnings on pension plan investments	387,736	-
Changes of assumptions	87,522	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	552,881
Employer contributions subsequent to the measurement date	617,337	-
Total	$ 1,105,723	$ 552,881

4. PENSION PLAN: (Continued)

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

During the year ended June 30, 2023, employer contributions totaling $617,337 were made subsequent to the measurement date for LASERS. 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, 2024. 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:	LASERS
2024	$ (312,371)
2025	80,117
2026	(98,047)
2027	265,806
Total	$ (64,495)

Actuarial Assumptions:

The total pension liability for LASERS in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	LASERS
Valuation Date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected Remaining Service Lives	2 years
Investment rate of return	7.25% 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 Rates	**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 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.

4. 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 expenses 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 8.34%. 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, 2022, are summarized in the following table:

Asset Class	Target Allocation LASERS	Long-Term Expected Real Rate of Return LASERS
Cash	0.00%	0.39%
Domestic equity	31.00%	4.57%
International equity	23.00%	5.76%
Domestic fixed income	3.00%	1.48%
International fixed income	17.00%	5.04%
Alternative investments	26.00%	8.30%
Total	100.00%	5.91%

Discount Rate:

The discount rate used to measure the total pension liability for LASERS was 7.25%. 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.

4. PENSION PLAN: (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates:

The following presents the Legislative Fiscal Office's proportionate share of the net pension liability using the discount rate, as well as what the Legislative Fiscal Office'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 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
LASERS	$ 6,057,186	$ 4,813,817	$ 3,680,044

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS Annual Comprehensive Financial Report at www.lasersonline.org.

Payable to the Pension Plan:

At June 30, 2023, the payable to LASERS was $11,416 for June 2023 employee and employer legally required contributions.

5. OTHER POSTEMPLOYMENT BENEFITS:

Substantially all Legislative Fiscal Office employees become eligible for postemployment healthcare and life insurance benefits if they reach normal retirement age while working for the Legislative Fiscal Office. The Legislative Fiscal Office offers its employees the opportunity to participate in one of two medical coverage plans. One plan is from the state's Office of Group Benefits (OGB) which also offers a life insurance plan, and the other plan is with the Louisiana State University (LSU) System Health Plan. Information about each of these two plans is presented on the following pages.

Plan Descriptions:

State OGB Plan:

The Legislative Fiscal Office'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.

5. OTHER POSTEMPLOYMENT BENEFITS:

Plan Descriptions: (Continued)

State OGB Plan: (Continued)

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of 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, 2023.

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

LSU System Health Plan:

The LSU System Health Plan originally began as a pilot program within the State Office of Group Benefits (OGB), the office that provides health benefits to state employees pursuant to the provisions of R.S. 42:851. The state agency participation is not material, and as such, the plan is identified as a single-employer defined benefit healthcare plan that is not administered as a trust or equivalent arrangement. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The LSU System Health Plan selects claim and pharmaceutical administrators to administer its program. Both claim and pharmacy administrators are selected through a formal Request for Proposals process followed by negotiations between the System and qualified vendors.

The Health Plan does not issue a publicly available financial report, but it is included in the LSU System's audited Financial Report. The Financial Report may be obtained from the LSU System's website at http://www.lsu.edu/.

Benefits Provided:

State OGB Plan:

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

5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Benefits Provided: (Continued)

State OGB Plan: (Continued)

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.

LSU System Health Plan:

The Health Plan offers eligible employees, retirees, and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage that gives members a unique, consumer-driven health-care approach to pay routine health expenses and provides coverage for major healthcare expenses.

Contributions:

State OGB Plan:

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 $14,556 during the year ended June 30, 2023. 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 and an Individual Medicare Market Exchange plan that provides monthly health reimbursement arrangement credits.

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:

5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Contributions: (Continued)

State OGB Plan: (Continued)

Years of Participation	Employer Contribution Percentage	Employee Contribution Percentage
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

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.

LSU System Health Plan:

Employer participation in contributions to the LSU System Health Plan for retirees follows the same schedule that is used for retirees in the state OGB Plan, which is described previously. Prior participation in the state OGB Plan counts toward service time when determining the employer contribution rate. Employer contributions to the LSU Plan were $100,849 during the year ended June 30, 2023.

The plan is financed on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions. The LSU System Health Plan does not use a trust fund to administer the financing of the plan and the payment of benefits. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule.

5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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

At June 30, 2023, the Legislative Fiscal Office reported a liability of $221,380 and $1,958,614 for the State OGB Plan and the LSU System Health Plan, respectively, for its proportionate share of the collective total OPEB liability. The collective total OPEB liability for the OGB State Plan was measured as of July 1, 2022, and was determined by an actuarial valuation as of that date. The collective total OPEB liability for the LSU System Health Plan was determined by an actuarial valuation as of January 1, 2023, which was rolled forward to a measurement date of June 30, 2023.

The Legislative Fiscal Office's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability (AAL) in relation to the total OPEB AAL liability for all participating entities included in the State of Louisiana reporting entity. For the State OGB Plan, the Legislative Fiscal Office's proportion was 0.00328% as of the measurement date of July 1, 2022, an increase of 0.00043% since the measurement date of July 1, 2021. For the LSU System Health Plan, the Legislative Fiscal Office's proportion was 0.23426% as of the measurement date of June 30, 2023, an increase of 0.00146% since the measurement date of June 30, 2022.

For the year ended June 30, 2023, the Legislative Fiscal Office recognized OPEB expense of $73,441 which consists of a $(22,048) benefit and $95,489 expense for the OGB State Plan and LSU System Health Plan, respectively. At June 30, 2023, the Legislative Fiscal Office 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		
	OGB State Plan	LSU System Health Plan	Total	OGB State Plan	LSU System Health Plan	Total
Changes of assumptions or other inputs	$ 15,184	$ 380,339	$ 395,523	$ 72,747	$ 812,292	$ 885,039
Differences between expected and actual experience	6,733	-	6,733	-	90,849	90,849
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	45,121	110,610	155,731	64,872	-	64,872
Amounts paid by the employer for OPEB subsequent to the measurement date	14,556	-	14,556	-	-	-
Total	$ 81,594	$ 490,949	$ 572,543	$ 137,619	$ 903,141	$ 1,040,760

5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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

Deferred outflows of resources related to OPEB resulting from the Legislative Fiscal Office's benefit payments subsequent to the measurement date will be recognized as a reduction of the collective total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	OGB State Plan	LSU System Health Plan
2024	$ (30,064)	$ (30,366)
2025	(21,636)	(26,464)
2026	(14,105)	(78,991)
2027	(4,776)	(140,787)
2028	-	(138,886)
Thereafter	-	3,302
Total	$ (70,581)	$ (412,192)

Actuarial Assumptions:

The collective total OPEB liability in the actuarial valuations were determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	State OGB Plan	LSU System Health Plan
Valuation Date	July 1, 2022	January 1, 2023
Measurement Date	July 1, 2022	June 30, 2023
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.	Entry Age Normal, level percentage of pay
Actuarial assumptions:		
Expected Remaining Service Lives	4.5 years	6.9 years
Inflation rate	2.40%	3.00%
Salary increase rate	Consistent with the pension valuation assumptions disclosed in note 4	Consistent with the pension valuation assumptions disclosed in note 4

5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Actuarial Assumptions: (Continued)

	State OGB Plan	LSU System Health Plan
Discount rate	4.09% based on the June 30, 2022 S&P 20-Year Municipal Bond Index Rate.	3.65% based on Bond Buyer 20-Bond GO Index
Mortality rates	For active lives, the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 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.	*Non-Disabled Lives*: Pub-2010 headcount weighted mortality table with generational scale MP-21, applied specifically for teachers, general and safety personnel. *Disabled Lives*: Pub-2010 headcount weighted disabled mortality table with generational scale MP-21, applied specifically for teachers, general and safety personnel. Note: No future mortality improvements other than the generation scaling for MP-21 were used.
Healthcare cost trend rates	7.00% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024 to an ultimate rate of 4.50% in 2032-2033 and thereafter; 5.50% for post-Medicare eligible employees grading down by .10% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2032-2033 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.	The health care cost trend assumptions are used to project the cost of health care in future years. The following short-term annual trend rates are based on the current HCA Consulting trend study. The long term rates are determined utilizing the Getzen model, published by the Society of Actuaries. Select trends are reduced 0.25% each year until reaching the ultimate trend rate. *Pre Medicare Medical/Rx Benefits* - 7.0% (Select) and 4.0% (Ultimate) *Medicare benefits* - 6.0% (Select) and 4.0% (Ultimate) Stop loss fees - 7.0% (Select) and 4.0% (Ultimate) *Administrative fees* - 4.0% (Select) and 4.0% (Ultimate)

5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Discount Rate:

The OPEB liability for the State OGB Plan was affected by a change in the discount rate from 2.18% as of July 1, 2021 to 4.09% as of July 1, 2022. The OPEB liability for the LSU System Health Plan was affected by a change in the discount rate from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

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

The following presents the Legislative Fiscal Office's proportionate share of the collective total OPEB liability using the current discount rate as well as what the Legislative Fiscal Office's proportionate share of the total collective total 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% Decrease	Current Discount Rate	1% Increase
State OGB Plan	$ 258,210	$ 221,380	$ 192,020
LSU System Health Plan	2,369,925	1,958,614	1,636,320
Total Proportionate Share of Collective Total OPEB Liability	$ 2,628,135	$ 2,179,994	$ 1,828,340

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

The following presents the Legislative Fiscal Office's proportionate share of the collective total OPEB liability using the current healthcare cost trend rates as well as what the Legislative Fiscal Office's proportionate share of the collective total 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% Decrease	Current Healthcare Cost Trend Rate	1% Increase
State OGB Plan	$ 196,817	$ 221,380	$ 251,950
LSU System Health Plan	1,614,766	1,958,614	2,420,632
Total Proportionate Share of Collective Total OPEB Liability	$ 1,811,583	$ 2,179,994	$ 2,672,582

6. 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, 2023, the Legislative Fiscal Office was not involved in any lawsuits or threatened litigations.

7. RISK MANAGEMENT:

The Legislative Fiscal Office 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 Legislative Fiscal Office transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

8. CHANGES IN LONG-TERM LIABILITIES:

The following is a summary of the changes in the Legislative Fiscal Office's long-term liabilities for the year ended June 30, 2023:

	Balance July 01, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Compensated absences	$ 269,478	$ 128,113	$ (83,894)	$ 313,697	$ 84,467
Total long-term liabilities	$ 269,478	$ 128,113	$ (83,894)	$ 313,697	$ 84,467

Information about changes in the net pension liability and the OPEB liability are contained in notes 4 and 5, respectively.

9. FUND BALANCE:

As of June 30, 2023, the Legislative Fiscal Office has an unassigned fund balance of $1,091,298. The fund balance also includes amounts classified as assigned for the following purposes:

Assigned:	
OPEB payable	$ 2,179,994
Compensated absences	313,697
Total assigned fund balance	$ 2,493,691

10. PROFESSIONAL SERVICES:

During the year ended June 30, 2023, professional services of $13,091 represented payments for an economic software used by the Chief Economist in the office.

11. 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.

12. DEFERRED COMPENSATION PLAN:

Certain employees of the Legislative Fiscal Office, State of Louisiana participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor website at www.lla.la.gov.

13. DEFICIT NET POSITION:

The Legislative Fiscal Office State of Louisiana reported a deficit unrestricted net position of $3,637,894 as of June 30, 2023. This deficit is due to the recording of net pension liability and other postemployment benefits payable on the government-wide financial statements.

14. INTERAGENCY TRANSFERS:

Amounts received (paid) to other governmental units for the year ended June 30, 2023, consist of the following:

	Operating Services	Personnel Services	Total
Other Agencies	$ 1,000	$ -	$ 1,000
Other Agencies	(74)	-	(74)
Total interagency transfers	$ 926	$ -	$ 926

REQUIRED SUPPLEMENTARY INFORMATION

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Actual Amounts				Budgeted Amounts		
	GAAP Basis	GAAP to Budget Differences Over (Under)		Budgetary Basis	Original	Final	Variance with Final Budget
REVENUES:							
State appropriations	$ 3,638,849	$ -		$ 3,638,849	$ 3,158,849	$ 3,158,849	$ 480,000
Reappropriated fund balance (1)	-	2,749,326	(1)	2,749,326	2,749,326	2,749,326	-
Total revenues	3,638,849	2,749,326		6,388,175	5,908,175	5,908,175	480,000
EXPENDITURES:							
Personnel services (2)	2,540,246	72,910	(2)	2,613,156	2,936,501	2,936,501	(323,345)
Professional services	13,091	-		13,091	20,000	20,000	(6,909)
Travel	12,567	-		12,567	10,000	10,000	2,567
Operating services	52,955	-		52,955	122,348	122,348	(69,393)
Supplies	12,394	-		12,394	25,000	25,000	(12,606)
Capital outlay	59,891	-		59,891	45,000	45,000	14,891
Total expenditures	2,691,144	72,910		2,764,054	3,158,849	3,158,849	(394,795)
Excess (deficiency) of revenues over expenditures	947,705	2,676,416		3,624,121	2,749,326	2,749,326	874,795
OTHER FINANCING SOURCES (USES):							
Interagency transfers in	1,000	-		1,000	-	-	1,000
Interagency transfers out	(74)	-		(74)	-	-	(74)
Total other financing sources	926	-		926	-	-	926
Net change in fund balance	948,631	2,676,416		3,625,047	2,749,326	2,749,326	875,721
Fund balances - beginning	2,636,358	112,968	(3)	2,749,326	2,749,326	2,749,326	-
Less: reappropriated fund balance	-	(2,749,326)	(1)	(2,749,326)	(2,749,326)	(2,749,326)	-
Fund balances - ending	$ 3,584,989	$ 40,058		$ 3,625,047	$ 2,749,326	$ 2,749,326	$ 875,721

Explanations of differences:

(1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. The results of operations on a GAAP basis do not recognize these amounts as revenue since they represent prior period's excess of revenues over expenditures.

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

(3) 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 Legislative Fiscal Office'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.

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE COLLECTIVE TOTAL OPEB LIABILITY
FOR THE SEVEN YEARS ENDED JUNE 30, 2023

Fiscal Year	Employer's Proportion of the Collective Total OPEB Liability	Employer's Proportionate Share of the Collective Total OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Total OPEB Liability as a % of its Covered Payroll
OGB State Plan				
2023	0.00328%	$ 221,380	$ 160,424	138.0%
2022	0.00285%	261,339	37,375	699.2%
2021	0.00371%	307,196	N/A	N/A
2020	0.00438%	338,271	N/A	N/A
2019	0.00475%	405,143	N/A	N/A
2018	0.00492%	427,791	N/A	N/A
2017	0.00492%	446,604	44,846	995.9%
LSU System Health Plan				
2023	0.23426%	$ 1,958,614	$ 1,443,380	135.7%
2022	0.23280%	1,901,925	1,452,978	130.9%
2021	0.24283%	3,572,328	1,760,180	203.0%
2020	0.23880%	3,348,603	1,763,566	189.9%
2019	0.24056%	2,629,843	1,646,206	159.8%
2018	0.23685%	2,310,854	1,537,836	150.3%
2017	0.23670%	2,389,048	1,531,457	156.0%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

The amounts presented for the State OGB Plan have a measurement date of the previous fiscal year while the amounts for the LSU System Health Plan have a measurement date of the current fiscal year.

See accompanying notes.

STATE OGB PLAN:

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

Changes of Benefit Terms

- None

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 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 recent experience studies.

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 updated to reflect 2020 claims and enrollment for the prescription drug costs 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 been updated based on a review of OPEB experience from July 1, 2017, through June 30, 2020.
- The valuation report as of July 1, 2021, made the following changes:
  - The discount rate decreased from 2.66% to 2.18%.
  - Baseline per capita costs were updated to reflect 2021 claims and enrollment.
  - Medical plan election percentages were updated based on the coverage elections of recent retirees.
  - The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.
- The valuation report as of July 1, 2022, made the following changes:
  - The discount rate increased from 2.18% to 4.09%
  - Baseline per capita costs were updated to reflect 2022 claims and enrollment.
  - Medical plan election percentages were updated based on the coverage elections of recent retirees.
  - The withdrawal assumption for LASERS Wildlife participants and the mortality rate assumptions for LASERS Public Safety participants have been updated.

LSU SYSTEM HEALTH PLAN: (Continued)

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

Changes of Benefit Terms

- None

Changes in Assumptions

- The valuation report as of June 30, 2018, made the following changes:
  - Increased the discount rate from 3.58% to 3.90%.
  - Updated the plan design changes as of January 1, 2018.
  - Updated claim costs for the expected retiree health costs.
  - Census changes since the last evaluation.
- The valuation report as of June 30, 2019, decreased the discount rate from 3.90% to 3.50%.
- The valuation report as of June 30, 2020, made the following changes:
  - Decreased the discount rate from 3.50% to 2.21%.
  - The retirement rates were updated to the most recent rates from the LASERS and TRSL Actuarial Valuations.
  - The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to the Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.
- The valuation report as of June 30, 2021, decreased the discount rate from 2.21% to 2.16%.
- The valuation report as of June 30, 2022, made the following changes:
  - The discount rate increased from 2.16% to 3.54%.
  - The retirement table of Judges group was corrected slightly to align with the rates as presented in the 2021 pension valuation reports.

LSU SYSTEM HEALTH PLAN: (Continued)

Changes in Assumptions (Continued)

- The trend rates were reset to an initial rate of 7.00% (6.00% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate. Additionally, the Getzen model was utilized to determine an appropriate long term ultimate trend.

- The payroll growth increases were updated to match the LASERS and TRSL Actuarial Valuations accordingly.

- Participation rates were updated based on five years of historical uptake information, broken out members years of service to properly allocate subsidies based on subsidy eligibility.

- The mortality projection scale was updated from MP-2019 to MP-2021 to reflect the Society of Actuaries' recent mortality study.

- The valuation report as of June 30, 2023, made the following changes:

    - The discount rate increased from 3.54% to 3.65%.

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE TEN YEARS ENDED JUNE 30, 2023

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
LASERS:					
2023	0.06368%	$ 4,813,817	$ 1,687,117	285.3%	63.7%
2022	0.08212%	4,519,590	1,801,272	250.9%	72.8%
2021	0.08076%	6,679,143	1,865,363	358.1%	58.0%
2020	0.07392%	5,355,223	1,588,896	337.0%	62.9%
2019	0.07273%	4,959,928	1,550,932	319.8%	64.3%
2018	0.07233%	5,091,396	1,465,852	347.3%	62.5%
2017	0.06653%	5,224,224	1,637,331	319.1%	57.7%
2016	0.08081%	5,496,095	1,672,662	328.6%	62.7%
2015	0.07589%	4,745,507	1,562,522	303.7%	65.0%
2014	0.06750%	4,917,340	1,503,206	327.1%	58.6%

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

See accompanying notes.

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE TEN YEARS ENDED JUNE 30, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
LASERS:					
2023	$ 617,337	$ 617,337	$ -	$ 1,521,898	40.6%
2022	664,821	664,821	-	1,687,117	39.4%
2021	722,759	722,759	-	1,801,272	40.1%
2020	738,643	738,643	-	1,865,363	39.6%
2019	603,060	603,060	-	1,588,896	38.0%
2018	587,615	587,615	-	1,550,932	37.9%
2017	525,414	525,414	-	1,465,852	35.8%
2016	608,945	608,945	-	1,637,331	37.2%
2015	620,861	620,861	-	1,672,662	37.1%
2014	489,614	489,614	-	1,562,522	31.3%

See accompanying notes.

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND SCHEDULE OF
EMPLOYER'S PENSION CONTRIBUTIONS
JUNE 30, 2023

1. CHANGES OF BENEFIT TERMS:

LASERS:

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

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

(c) Act 37 of the 2021 Regular Session provided a monthly benefit increase to retirees that on June 30, 2021, have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than $1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of $300 per month or the amount needed to increase the monthly benefit to $1,450.

(d) Act 656 of the 2022 Regular Session provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or $2,000. Eligibility was based on the current statutory COLA eligibility requirements.

2. CHANGES IN ASSUMPTIONS:

LASERS:

(a) Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.00% to 2.75%. The inflation rate was reduced to 2.50% for the June 30, 2019 valuation. The inflation rate was reduced from 2.50% to 2.30%, effective July 1, 2020.

(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% annual 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. The discount rate used to determine the projected contribution requirements for fiscal year 2022 was reduced beyond the original plan to 7.40%. The discount rate used to determine the projected contribution requirements for fiscal year 2023 was reduced beyond the original plan to 7.25%.

2. CHANGES IN ASSUMPTIONS: (Continued)

LASERS: (Continued)

(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 June 30, 2017 valuation. Salary increases used to measure the 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.

(f) Effective July 1, 2018, the LASERS Board reduced the expected remaining services lives from 3 years to 2 years.

(g) Act 95 of the 2016 Regular Session requires re-amortization of the OAB with level-dollar payments to 2029 when such re-amortization results in annual payments that are not more than the next annual payment otherwise required under prior law. For the June 30, 2021 valuation, this criterion was met after allocating legislative appropriations and investment experience gains to this schedule. The schedule was re-amortized with level dollar payments to be paid off 2029.

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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 19, 2023

Honorable Patrick Page Cortez, Jr.,
President of the Senate
Honorable Clay Schexnayder, Speaker of
the House of Representatives
Legislative Fiscal Office
State of Louisiana
Baton Rouge, LA 70804

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 Legislative Fiscal Office, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Legislative Fiscal Office, State of Louisiana's basic financial statements, and have issued our report thereon dated December 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Legislative Fiscal Office, State of Louisiana'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 Legislative Fiscal Office, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Legislative Fiscal Office, State of Louisiana'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Legislative Fiscal Office, State of Louisiana'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher LLP

New Orleans, Louisiana

LEGISLATIVE FISCAL OFFICE
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Legislative Fiscal Office, State of Louisiana, for the year ended June 30, 2023 was unmodified.

2. Compliance and Other Matters
   Noncompliance material to financial statements: None noted.

3. Internal Control
   Material weaknesses: None noted.
   Significant deficiencies: None noted.

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

NONE

SUMMARY OF PRIOR YEAR FINDINGS:

NONE