FINANCIAL REPORT

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA

JUNE 30, 2019

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA

INDEX TO REPORT

JUNE 30, 2019

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December 13, 2019

Honorable John A. Alario, Jr., Co-Chair
Honorable Taylor F. Barras, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Legislative Budgetary Control Council, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Legislative Budgetary Control Council's basic financial statements as listed in the index to the report.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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 Budgetary Control Council, State of Louisiana, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule - general fund, the schedule of employer's proportionate share of the collective total OPEB liability, the schedule of employer's proportionate share of the net pension liability, and the schedule of employer's pension contributions, as listed in the index to report, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 13, 2019, on our consideration of the Legislative Budgetary Control Council, State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Legislative Budgetary Control Council, State of Louisiana's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

Management's discussion and analysis of the Legislative Budgetary Control Council, State of Louisiana's (Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2019. 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 Council's net position decreased by $2,904,411 from June 30, 2018 to June 30, 2019.
- The general revenues of the Council were $10,371,335, which is an increase of $216,935 from the prior year. The increase in revenues can be attributed to an increase in the interest rate from 0.50% to 0.95% on the two Capital One Accounts held by the Legislative Budgetary Control Council.
- The total expenses of the Council were $9,690,252, which is an increase of $62,285 from the prior year. The increase can be attributed primarily to increases in operating services expense due to increases in equipment maintenance expense and supplies expense.
- The other financing uses of the Council were $3,585,494, which is a decrease of $574,094. The decrease is primarily attributable to the amount of funds transferred to the Treasury.

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 Council's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the 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 Council's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Council'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 Council. Over time, increases or decreases in net position help determine whether the Council's financial position is improving or deteriorating.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council 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 Council's only fund, the general fund.

The Council 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 Council'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 Council'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 Council, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $62,648,754 at the close of the most recent fiscal year. Included in the Council'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 the condensed comparative statements of net position of the Council:

COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

	2019	2018	Change	Percentage Change
Assets:				
Current assets	$ 41,771,303	$ 42,729,442	$ (958,139)	(2.2%)
Capital assets, net	22,951,231	24,506,136	(1,554,905)	(6.3%)
Total assets	64,722,534	67,235,578	(2,513,044)	(3.7%)
Deferred Outflows of Resources	171,183	175,265	(4,082)	(2.3%)
Liabilities:				
Current liabilities	705,883	328,513	377,370	114.9%
Long-term liabilities	1,505,672	1,485,834	19,838	1.3%
Total liabilities	2,211,555	1,814,347	397,208	21.9%
Deferred Inflows of Resources	33,408	43,331	(9,923)	(22.9%)
Net Position:				
Net investment in capital assets	22,951,231	24,506,136	(1,554,905)	(6.3%)
Unrestricted	39,697,523	41,047,029	(1,349,506)	(3.3%)
Total net position	$ 62,648,754	$ 65,553,165	$ (2,904,411)	(4.4%)

Total assets of the Council decreased by $2,513,044, or 3.7%. The decrease in assets is due primarily to decreases of $560,403 and $1,554,905 in cash and net capital assets, respectively.

Total liabilities of the Council increased by $397,208, or 21.9%. The increase in liabilities is due primarily to an increase in the due to other agencies because second quarter EMT Billings and other costs were accrued at year-end.

The following presents the condensed comparative statements of activities of the Council:

COMPARATIVE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018	Change	Percentage Change
General revenues	$ 10,371,335	$ 10,154,400	$ 216,935	2.1%
Expenses	9,690,252	9,627,967	62,285	0.6%
Other financing sources (uses)	(3,585,494)	(4,159,588)	574,094	(13.8%)
Change in net position	$ (2,904,411)	$ (3,633,155)	$ 728,744	(20.1%)

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES (Continued)

The statement of activities reflects a negative change for the year. Net position decreased by \$2,904,411 in 2019, compared to a decrease of \$3,633,155 in 2018. Net position decreased primarily due to a decrease in other financing sources.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Council's investment in capital assets, net of accumulated depreciation, as of June 30, 2019, is \$22,951,231. The investment in capital assets includes building improvements, furniture and equipment, computer equipment, and construction in progress. The total decrease in capital assets for the current fiscal year was 6.3%. Depreciation accounted for the majority of the decrease.

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

BUDGET ANALYSIS

A comparison of budget to actual operations is presented in the accompanying required supplementary information. Total expenditures were \$1,879,536 below budgeted amounts. Act 79 of the 2018 Regular Session of the Louisiana Legislature, which made appropriations for the expenses of the legislature for fiscal year 2018-2019, mandated that the appropriations from the State General Fund be \$28,458,090, pursuant to a plan adopted by the Legislative Budgetary Control Council. The Council's portion of the reduction was \$8,557,125.

ECONOMIC OUTLOOK

Act 70 of the 2019 Regular Session of the Louisiana Legislature, which made appropriations for the expenses of the legislature for fiscal year 2019-2020, mandated that the appropriations from the State General Fund be reduced by a total of \$11,620,925, pursuant to a plan adopted by the Legislative Budgetary Control Council. The Council's portion of the reduction is to be determined.

CONTACTING THE COUNCIL'S MANAGEMENT

This audit report is designed to provide a general overview of the Council and to demonstrate the Council's accountability for its finances. If you have any questions about this report or need additional information, please contact the Legislative Budgetary Control Council, State of Louisiana, P. O. Box 44305, Baton Rouge, Louisiana 70804.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
GOVERNMENTAL FUND BALANCE SHEET/
STATEMENT OF NET POSITION
JUNE 30, 2019

	General Fund	Adjustments*		Statement of Net Position
ASSETS:				
Cash in bank	$ 40,421,897	$ -		$ 40,421,897
Due from State Treasury - unwarranted appropriations	1,346,802	-		1,346,802
Other receivables	2,604	-		2,604
Capital assets (net of allowance for depreciation)	-	22,951,231	(1)	22,951,231
Total Assets	41,771,303	22,951,231		64,722,534
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	-	143,378	(2)	143,378
Deferred outflows related to OPEB	-	27,805	(2)	27,805
Total Deferred Outflows of Resources	-	171,183		171,183
Total Assets and Deferred Outflows of Resources	$ 41,771,303			
LIABILITIES:				
Accounts payable	$ 100,834	-		100,834
Accrued salaries and related benefits	16,023	-		16,023
Due to other legislative agencies	589,026	-		589,026
Compensated absences:				
Current portion	-	-	(2)	-
Noncurrent portion	-	40,208	(2)	40,208
OPEB payable	-	451,750	(2)	451,750
Net pension liability	-	1,013,714	(2)	1,013,714
Total liabilities	705,883	1,505,672		2,211,555
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	-	11,368	(2)	11,368
Deferred inflows related to OPEB	-	22,040	(2)	22,040
Total Deferred Inflows of Resources	-	33,408		33,408
FUND BALANCE/NET POSITION:				
Restricted	1,346,802	(1,346,802)		-
Assigned	1,505,672	(1,505,672)		-
Unassigned	38,212,946	(38,212,946)		-
Total Fund Balance	41,065,420	(41,065,420)		-
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 41,771,303			
NET POSITION:				
Net investment in capital assets		22,951,231		22,951,231
Unrestricted		39,697,523		39,697,523
Total Net Position		$ 62,648,754		$ 62,648,754

*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, and the deferred inflows and deferred 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 BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN THE FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Adjustments*		Statement of Activities
EXPENDITURES/EXPENSES:				
Personnel services	$ 462,407	$ 13,997	(1)	$ 476,404
Operating services	1,644,173	-		1,644,173
Supplies	419,311	-		419,311
Professional services	5,314,481	-		5,314,481
Capital outlay	280,978	-	(2)	280,978
Depreciation	-	1,554,905	(2)	1,554,905
Total expenditures/expenses	8,121,350	1,568,902		9,690,252
GENERAL REVENUES:				
State appropriations	10,000,000	-		10,000,000
Interest	366,539	-		366,539
Other	4,796	-		4,796
Total general revenues	10,371,335	-		10,371,335
Excess of revenues over expenditures/expenses	2,249,985	(2,249,985)		-
OTHER FINANCING SOURCES (USES):				
Interagency transfers out	(3,585,494)	-		(3,585,494)
Total other financing uses	(3,585,494)	-		(3,585,494)
Excess (deficiency) of revenues over (under) expenditures/expenses and other financing uses	(1,335,509)	1,335,509		-
CHANGE IN NET POSITION	-	(2,904,411)		(2,904,411)
FUND BALANCE/NET POSITION:				
Beginning of year	44,111,966	25,074,354		65,553,165
End of year	$ 42,776,457	$ 23,505,452		$ 62,648,754

*Explanations:

(1) Expenses 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 outlays 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 Budgetary Control Council, State of Louisiana, (the Council) created by Title 24, Section 38 of the Louisiana Revised Statutes, maintains rules and regulations designed to control the budget and spending procedures within the legislative branch of government, approves budget requests for all legislative budget units, and funds projects for the legislature such as: the joint computer operations, the upkeep and renovations of the Capitol complex, and the funding of national legislative organizations. Appropriated funds are allocated to the Council to defray the expenses of the Louisiana Legislature, including the expenses of the House of Representatives, the Senate, the Louisiana Law Institute, the Louisiana Legislative Auditor, and the Legislative Fiscal Office.

The Council is composed of 12 members and 4 full-time employees.

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 the 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 Budgetary Control Council, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the Legislative Budgetary Control Council 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 Budgetary Control Council has no fiduciary funds or component units.

Fund Accounting:

The Legislative Budgetary Control Council 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 Budgetary Control Council has only a General Fund, supported by an appropriation from the State of Louisiana used to account for all of the Legislative Budgetary Control Council's activities, including the acquisition of capital assets and the servicing of long-term liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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 Budgetary Control Council using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are 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 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 Budgetary Control Council defines cash as interest-bearing demand deposits. Under state law, the Legislative Budgetary Control Council 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 Budgetary Control Council. 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets:

The accompanying Statement of Net Position reflects building improvements, furniture and equipment, and computer equipment used by the Legislative Budgetary Control Council, State of Louisiana, and funded by the legislative appropriation, in daily operations. These assets are recorded at cost.

The accompanying financial statements do not include the value of land and buildings provided without cost to the Legislative Budgetary Control Council. These assets are recorded with the annual financial statements of the State of Louisiana.

Capital assets with acquisition costs of $5,000 or greater are capitalized, recorded at cost, and are depreciated using the straight-line method of allocating costs over the following useful lives:

Building improvements	20 years
Furniture and equipment	7 years
Computer equipment	7 years

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

Budgetary Practices:

The Legislative Budgetary Control Council is required to submit to the members of the 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 Budgetary Control Council 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 amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent Legislative action. Current appropriation legislation authorizes such reappropriation 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 Budgetary Control Council 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budgetary Practices: (Continued)

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

Compensated Absences:

Accumulated unpaid annual and compensatory leave is reported in the Statement of Net Position and Statement of Activities within the accompanying financial statements. The Legislative Budgetary Control Council, State of Louisiana's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the Legislative Budgetary Control Council's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employees' 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 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 Budgetary Control Council provides certain health care and life insurance benefits for retired employees. Substantially all of the Council's employees may become eligible for those benefits if they reach normal retirement age while working for the Council. 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 Council. The Council recognizes the cost of providing these benefits as expenditures in the year paid in the General Fund. For the year ended June 30, 2019, those costs totaled $9,876, which covered 2 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 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 Council itself, using its highest level of decision-making authority. To be reported as *committed*, amounts cannot be used for any other purpose unless the Council takes the same highest level action to remove or change the constraint.

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

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

Noncurrent Liabilities:

Noncurrent liabilities include estimated amounts for accrued compensated absences, other postemployment benefits, and 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.

Net Position:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Position: (Continued)

(a) *Net investment in capital assets* consists of the Council'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, interest earnings, and other miscellaneous sources. These resources are used for transactions relating to general operations of the Council 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH IN BANK:

At June 30, 2019, the carrying amount of the Legislative Budgetary Control Council's cash account was $40,421,897, and the bank balance was $40,481,574. These balances are entirely secured from risk by federal depository insurance or by pledged securities held by the Legislative Budgetary Control's custodial bank in the name of the Legislative Budgetary Control Council.

3. UNWARRANTED APPROPRIATIONS:

The unwarranted appropriations and appropriations authorized and collected during the year are summarized as follows:

	Total Appropriation Authorized	Unwarranted Appropriation as of June 30, 2018	Appropriation Authorized for the year ended June 30, 2019	Funds Collected in the year ended June 30, 2019	Unwarranted Appropriation as of June 30, 2019
Act 606, 1979 R.S.	$ 610,000	$ 610,000	$ -	$ -	$ 610,000
Act 744, 1985 R.S.	140,000	140,000	-	-	140,000
Act 26, 2005 R.S.	2,100,000	543,547	-	-	543,547
Act 25, 2014 R.S.	1,850,000	53,255	-	-	53,255
Act 79, 2018 R.S.	10,000,000	-	10,000,000	10,000,000	-
	$ 14,700,000	$ 1,346,802	$ 10,000,000	$ 10,000,000	$ 1,346,802

4. CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Completed Construction	Balance June 30, 2019
Capital Assets Not Being Depreciated:					
Construction in progress	$ 2,133,971	$ -	$ -	$ -	$ 2,133,971
Total capital assets not being depreciated	2,133,971	-	-	-	2,133,971
Capital Assets Being Depreciated:					
Building improvements	28,314,957	-	-	-	28,314,957
Computer hardware	2,525,460	-	-	-	2,525,460
Furniture and equipment	573,268	-	-	-	573,268
Total capital assets being depreciated	31,413,685	-	-	-	31,413,685
Less: Accumulated depreciation	(9,041,520)	(1,554,905)	-	-	(10,596,425)
Capital Assets, Net	$ 24,506,136	$ (1,554,905)	$ -	$ -	$ 22,951,231

5. PENSION PLAN:

Plan Description:

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

5. PENSION PLAN: (Continued)

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 or at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service, and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 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%

5. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Retirement Benefits: (Conituned)

accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

Deferred Retirement Benefits:

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

5. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Deferred Retirement Benefits: (Continued)

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

Disability Benefits:

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

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 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.

5. PENSION PLAN: (Continued)

Benefits Provided: (Continued)

Survivor's Benefits: (Continued)

No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Permanent Benefit Increases/Cost-of-Living Adjustments:

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

Contributions:

Employee contribution rates are established by La. R.S. 11:62. The employer contribution rates are established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of each plan are used for the payment of benefits for all classes of members within each system, regardless of their plan membership. Employer contributions to LASERS were $114,611 for the year ended June 30, 2019.

Contribution rates for the year ended June 30, 2019, are as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Appellate Law Clerks	Closed	7.50%	37.90%
Appellate Law Clerks hired on or after 07/01/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	31.40%
Bridge Police	Closed	8.50%	36.70%
Bridge Police hired on or after 07/01/06	Closed	8.50%	36.70%
Corrections Primary	Closed	9.00%	33.50%
Corrections Secondary	Closed	9.00%	37.70%
Harbor Police	Closed	9.00%	6.10%
Hazardous Duty	Open	9.50%	38.50%
Judges hired before 01/01/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.00%
Judges hired on or after 07/01/15	Open	13.00%	39.00%
Legislators	Closed	11.50%	41.60%
Optional Retirement Plan (ORP) before 07/01/06	Closed	7.50%	37.90%
Optional Retirement Plan (ORP) on or after 07/01/06	Closed	8.00%	37.90%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 07/01/06	Closed	7.50%	37.90%
Regular Employees hired on or after 07/01/06	Closed	8.00%	37.90%
Regular Employees hired on or after 01/01/11	Closed	8.00%	37.90%
Regular Employees hired on or after 07/01/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.60%
Wildlife Agents	Closed	9.50%	46.30%

5. PENSION PLAN: (Continued)

Contributions: (Continued)

All Legislative Budgetary Control Council employees who are members of LASERS are in one of the Regular Plans and contributions are made at the applicable rates based on their hire date.

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

At June 30, 2019, the Legislative Budgetary Control Council reported a liability for LASERS of $1,013,714 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date. The Legislative Budgetary Control Council's proportion of the net pension liability for the retirement system was based on a projection of the Legislative Budgetary Control Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Legislative Budgetary Control Council's proportion for LASERS was 0.01486%. This reflects an increase for LASERS of 0.00002% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Legislative Budgetary Control Council recognized pension expense, for which there were no forfeitures, as follows:

	Pension Expense
LASERS	$ 103,025

At June 30, 2019, the Legislative Budgetary Control Council 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	$ -	$ 11,368
Net difference between projected and actual earnings on pension plan investments	13,145	-
Changes of assumptions	10,315	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,307	-
Employer contributions subsequent to the measurement date	114,611	-
Total	$ 143,378	$ 11,368

5. PENSION PLAN: (Continued)

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

During the year ended June 30, 2019, employer contributions totaling $114,611 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, 2020. 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
2020	$ 33,147
2021	12,736
2022	(24,774)
2023	(3,710)
Total	$ 17,399

Actuarial Assumptions:

The total pension liability for LASERS in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Expected Remaining Service Lives	3 years
Investment rate of return	7.65% per annum, net of investment expenses.
Inflation rate	2.75% per annum
Projected salary increases	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increases for specific types of members range from 3.8% - 12.8%.
Cost-of-living adjustments	None, since they are not deemed to be substantively automatic.
Mortality	**Non-disabled members** - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. **Disabled members** - Mortality rates based on the RP-2000 Disabled
Termination and disability	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's

5. PENSION PLAN: (Continued)

Actuarial Assumptions: (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.25%) and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for LASERS is 8.83%. 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, 2018, are summarized in the following table:

Asset Class	Target Allocation LASERS	Long-Term Expected Real Rate of Return LASERS
Cash		-0.48%
Domestic equity	23.00%	4.31%
International equity	32.00%	5.26%
Domestic fixed income	6.00%	1.49%
International fixed income	10.00%	2.23%
Alternative investments:	22.00%	7.67%
Global tactical asset allocation	7.00%	4.96%
Total	100.00%	5.40%

Discount Rate:

The discount rate used to measure the total pension liability for LASERS was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. 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 active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer's proportionate share of the net pension liability using the current discount rate as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

5. PENSION PLAN: (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: (Continued)

	1.0% Decrease 6.65%	Discount Rate 7.65%	1.0% Increase 8.65%
LASERS	$ 1,279,374	$ 1,013,714	$ 784,915

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan:

At June 30, 2019, payables to LASERS were $4,361 for June 2019 employee and employer legally required contributions.

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Legislative Budgetary Control Council employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Legislative Budgetary Control Council. The Legislative Budgetary Control Council 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 Budgetary Control Council employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), a cost-sharing, multiple-employer defined benefit plan, but classified as an agent multiple-employer defined benefit OPEB Plan for financial reporting purposes since the plan is not administered as a formal trust. The Office of Group Benefits administers the plan.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 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, 2019.

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Plan Descriptions: (Continued)

State OGB Plan: (Continued)

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 Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/Pages/osrap/Index.asp.

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 plan is identified as a single-employer defined benefit healthcare plan that is not administered as a trust or equivalent arrangement.

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.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

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 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.

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Benefits Provided: (Continued)

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.

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. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Effective January 1, 2019, retired employees who have Medicare Part A and Part B coverage also have access to six fully insured Medicare Advantage plans.

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

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%

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

Contributions: (Continued)

State OGB Plan: (Continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. The life insurance benefits offered by the State OGB Plan are also available to retirees who elect to participate in the LSU System Health Plan. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

LSU System Health Plan:

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.

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.

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.

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

At June 30, 2019, the Legislative Budgetary Control Council reported a liability of $75,956 and $375,794 for the OGB State 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, 2018, 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 January 1, 2018, which was rolled forward to the measurement date of June 30, 2019.

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

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

The Legislative Budgetary Control Council's proportionate share percentage is based on a projection of the Council's total OPEB liability in relation to the projected total OPEB liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2019, the Legislative Budgetary Control Council's proportion was 0.0009% and 0.0344% for the OGB State Plan and the LSU System Health Plan, respectively.

For the year ended June 30, 2019, the Legislative Budgetary Control Council recognized OPEB expense of $35,284, or $5,664 and $29,620 for the OGB State Plan and LSU System Health Plan, respectively.

At June 30, 2019, the Legislative Budgetary Control Council 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	$ -	$ 21,429	$ 21,429	$ 5,117	$ 16,592	$ 21,709
Differences between actual and expected experience	-	-	-	331	-	331
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	2,324	-	2,324	-	-	-
Amounts paid by the employer for OPEB contibutions subsequent to the measurement date	4,052	-	4,052	-	-	-
Total	$ 6,376	$ 21,429	$ 27,805	$ 5,448	$ 16,592	$ 22,040

Deferred outflows of resources related to OPEB resulting from the Legislative Budgetary Control Council'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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

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

Year ending June 30:	OGB State Plan	LSU System Health Plan
2020	$ (1,149)	$ (229)
2021	(1,149)	(229)
2022	(683)	(229)
2023	(143)	(229)
2024	-	(1,288)
Thereafter	-	(2,633)
Total	$ (3,124)	$ (4,837)

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, 2018	January 1, 2018
Actuarial cost method	Entry Age Normal, level percentage of pay	Entry Age Normal, level percentage of pay
Actuarial assumptions:		
Expected Remaining Service Lives	4.5 years	6.7 years
Inflation rate	Consumer Price Index (CPI) 2.80%	2.80%
Salary increase rate	Consistent with the pension valuation assumptions disclosed in note 5	2% per annum
Discount rate	2.98% based on June 30, 2018, Standard & Poor's 20-year municipal bond index	3.5% based on Bond Buyer 20-Bond GO Index
Mortality rates	For healthy lives: the RP-2014 Combined Healthy Mortality Table, rolled back to 2006 using RP-2014 projection and then projected on a fully generational basis by Mortality Improvement Scale MP-2018. For disabled retiree lives: the RP-2014 Disabled Retiree Mortality Table, rolled back to 2006 using RP-2014 projection and then projected on a fully generational basis by Mortality Improvement Scale MP-2018.	*Non-Disabled Lives*: RP-2014 trended back to 2006 using scale MP-14 and projected generationally using scale MP-17, applied on a gender-specific basis. *Disabled Lives*: RP-2014 Disabled Retiree Generational Table trended back to 2006 and scaled forward using scale MP-18, applied on a gender specific basis.

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

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

Actuarial Assumptions: (Continued)

Healthcare cost trend rates	7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.	The following annual trend rates are applied on a select and ultimate basis. Select trend is reduced 0.5% each year until reaching the ultimate trend. *Pre 65 Medical/Rx Benefit*s - 6.5% (Select) and 4.5% (Ultimate) *Post Medicare benefits* - 5.5% (Select) and 4.5% (Ultimate) *Administrative fees* - 4.5% (Select) and 4.5% (Ultimate)

Discount Rate:

The OPEB liability for the State OGB Plan was affected by a change in the discount rate from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018. The OPEB liability for the LSU System Health Plan was affected by a change in the discount rate from 3.90% to 3.50%.

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

The following presents the Legislative Budgetary Control Council's proportionate share of the collective total OPEB liability using the current discount rate as well as what the Legislative Budgetary Control Council's proportionate share of the 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	$ 85,454	$ 75,956	$ 68,051
LSU System Health Plan	456,092	375,794	314,166
Total Proportionate Share of Collective Total OPEB Liability	$ 541,546	$ 451,750	$ 382,217

6. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

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

The following presents the Legislative Budgetary Control Council's proportionate share of the collective total OPEB liability using the current healthcare cost trend rates as well as what the Legislative Budgetary Control Council'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	$ 71,392	$ 75,956	$ 81,098
LSU System Health Plan	315,536	375,794	452,450
Total Proportionate Share of Collective Total OPEB Liability	$ 386,928	$ 451,750	$ 533,548

7. 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, 2019, the Council was not involved in any lawsuits or threatened litigations.

8. RISK MANAGEMENT:

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

9. LEASE AGREEMENT:

During the year ended June 30, 2016, the Legislative Budgetary Control Council entered into a lease agreement with De Lage Landen Public Finance, LLC for the lease of several copiers. The term of the lease agreement was for 60 months in the amount of $75.51 per month. Future minimum lease payments under this non-cancelable operating lease as of June 30, 2019, are as follows:

9. LEASE AGREEMENT: (Continued)

	Lease Payments
Year Ending June 30:	
2020	$ 906
2021	378
Total	$ 1,284

Expenditures relating to this lease were $906 for the year ended June 30, 2019.

10. CHANGES IN LONG-TERM LIABILITIES:

The following is a summary of the changes in the Legislative Budgetary Control Council's long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Compensated absences	$ 40,033	$ 2,133	$ 1,958	$ 40,208	$ -

Information about the changes in the net pension liability and the OPEB liability is contained in notes 5 and 6, respectively.

11. FUND BALANCE:

As of June 30, 2019, the Legislative Budgetary Control Council has an unassigned balance of $38,212,946. The fund balance also includes amounts classified as restricted and assigned for the following purposes:

	General Fund
Restricted:	
Future capital outlay and renovations	$ 1,346,802
Total restricted fund balance	$ 1,346,802
Assigned:	
Other postemployment benefits obligation	$ 451,750
Compensated absences obligation	40,208
Net pension liability	1,013,714
Total assigned fund balance	$ 1,505,672

12. PROFESSIONAL SERVICES:

Professional services include the following professional fees:

Public Systems Associates (computer services)	$ 4,937,376
United Professional Company (consulting)	165,000
Louisiana Public Broadcasting (satellite transmission services)	59,840
Duplantier, Hrapmann, Hogan & Maher, LLP (auditing)	41,800
Swagit Productions (video streaming services)	31,730
Custom Accounting Solutions (computer support)	29,988
Ken Burch (building maintenance)	22,429
Vision 33 (consulting services)	14,004
Ford Audio Video (engineering services)	9,848
Deaf Focus (ADA services)	2,466
Total professional services	$ 5,314,481

13. INTERAGENCY TRANSFERS:

Transfers Out:

Amounts paid to other governmental units during the year ended June 30, 2019, consist of the following:

	Office Operations	Capital Outlay	Personnel Services	Appropriation Reduction	Total
House of Representatives	$ 1,743,979	$ -	$ -	$ -	$ 1,743,979
Senate	1,521,585	-	-	-	1,521,585
Tech Fund	319,930	-	-	-	319,930
Total	$ 3,585,494	$ -	$ -	$ -	$ 3,585,494

Amounts due to other legislative agencies at June 30, 2019, consist of the following:

Due to House of Representatives	$ 539,448
Due to Senate	49,578
Total due to other legislative agencies	$ 589,026

14. OTHER COSTS:

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

15. DEFERRED COMPENSATION PLAN:

Certain employees of the Legislative Budgetary Control Council 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, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397. The Council did not make any contributions to the Plan during June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Actual Amounts			Budgeted Amounts		
	GAAP Basis	GAAP to Budget Differences Over (Under)	Budgetary Basis	Original	Final	Variance with Final Budget
REVENUES:						
State appropriations	$ 10,000,000	$ -	$ 10,000,000	$ 18,557,125	$ 18,557,125	$ (8,557,125)
Interest	366,539	-	366,539	-	-	366,539
Other	4,796	-	4,796	-	-	4,796
Reappropriated fund balance (1)	-	44,126,780 (1)	44,126,780	44,126,780	44,126,780	-
Budget Reduction (4)	-	-	-	-	(8,557,125)	8,557,125
Total revenues	10,371,335	44,126,780	54,498,115	62,683,905	54,126,780	371,335
EXPENDITURES:						
Personnel services (2)	462,407	(616) (2)	461,791	4,060,000	4,060,000	(3,598,209)
Operating services	1,644,173	-	1,644,173	5,291,105	5,291,105	(3,646,932)
Supplies	419,311	-	419,311	1,859,859	1,859,859	(1,440,548)
Professional services	5,314,481	-	5,314,481	595,000	595,000	4,719,481
Capital outlay	280,978	-	280,978	6,751,431	6,751,431	(6,470,453)
Budget reduction	-	-	-	-	(8,557,125) (4)	8,557,125
Total expenditures	8,121,350	(616)	8,120,734	18,557,395	10,000,270	(1,879,536)
Excess of revenues over expenditures	2,249,985	44,127,396	46,377,381	44,126,510	44,126,510	2,250,871
OTHER FINANCING USES:						
Interagency transfers out	(3,585,494)	-	(3,585,494)	-	-	(3,585,494)
Total other financing uses	(3,585,494)	-	(3,585,494)	-	-	(3,585,494)
Net change in fund balance	(1,335,509)	44,127,396	42,791,887	44,126,510	44,126,510	(1,334,623)
Fund balances - beginning	44,111,966	15,407 (3)	44,127,373	40,804,422	40,804,422	3,322,951
Less reappropriated fund balance	-	(44,126,780) (1)	(44,126,780)	(44,126,780)	(44,126,780)	-
Fund balances - ending	$ 42,776,457	$ 16,023	$ 42,792,480	$ 40,804,152	$ 40,804,152	$ 1,988,328

The budgetary comparison schedule has been prepared on the modified accrual basis of accounting, which is consistent with the accounting principles generally accepted in the United States of America.

Explanation 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 Council's budgetary accounting method.) This amount differs from the fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because of the cumulative effect of transactions such as those described above.

(4) The original budget request was approved during a meeting of the Legislative Budgetary Control on April 19, 2017. Act 79 of the 2018 Regular Session of the Louisiana Legislature, which made appropriations for the expenses of the legislature for FY 2018-2019,

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY
FOR THE THREE YEARS ENDED JUNE 30, 2019

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
State OGB Plan						
2019	0.00090%	$	75,956		N/A	N/A
2018	0.00090%	$	76,633		N/A	N/A
2017	0.00090%	$	80,003		N/A	N/A
LSU System Health Plan						
2019	0.03437%	$	375,794	$	244,948	153.4%
2018	0.03331%	$	324,958	$	242,616	133.9%
2017	0.03224%	$	325,443	$	237,219	137.2%

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.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE SIX YEARS ENDED JUNE 30, 2019

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:					
2019	0.01486%	$ 1,013,714	$ 289,919	349.7%	64.3%
2018	0.01484%	$ 1,044,210	$ 284,310	367.3%	62.5%
2017	0.01471%	$ 1,155,189	$ 278,584	414.7%	57.7%
2016	0.01401%	$ 953,028	$ 217,418	438.3%	62.7%
2015	0.01075%	$ 672,124	$ 196,566	341.9%	65.0%
2014	0.00954%	$ 694,735	$ 256,712	270.6%	58.6%

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

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE SIX YEARS ENDED JUNE 30, 2019

Fiscal Year	Contractulally Required Contribuition	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
LASERS:					
2019	$ 114,611	$ 114,611	$ -	$ 302,402	37.9%
2018	109,879	109,879	$ -	289,919	37.9%
2017	101,872	101,872	$ -	284,310	35.8%
2016	103,648	103,648	$ -	278,584	37.2%
2015	80,705	80,705	$ -	217,418	37.1%
2014	61,888	61,888	$ -	196,566	31.5%

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

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE COLLECTIVE TOTAL OPEB LIABILITY
FOR THE THREE YEARS ENDED JUNE 30, 2019

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 related benefits.

CHANGES OF 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.

LSU SYSTEM HEALTH PLAN:

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

FACTORS AFFECTING TRENDS:

- 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 3.9% to 3.50%.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
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
FOR THE SIX YEARS ENDED JUNE 30, 2019

1. CHANGES OF BENEFIT TERMS:

LASERS:

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

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

2. CHANGES OF ASSUMPTIONS:

LASERS:

(a) The discount rate used to measure the total pension liability changed from 7.70% to 7.65% in the 2018 valuation.

(b) The discount rate used to measure the total pension liability changed from 7.75% in the 2016 valuation to 7.50% in the 2017 valuation.

(c) The inflation rate used to measure the total pension liability changed from 3.00% in the 2016 valuation to 2.75% in the 2017 valuation.

(d) Salary increases used to measure the total pension liability changed from a range of 3.00% to 14.50% in the 2016 valuation to a range of 2.80% to 14.30% in the 2017 valuation.

(e) 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, and to 7.65% for the June 30, 2018 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2019 and 7.60% rate was used for fiscal year 2020.

(f) Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.0% to 2.75%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25% in the June 30, 2017 valuation.

(g) 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.

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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 13, 2019

Honorable John A. Alario, Jr., Co-Chair
Honorable Taylor F. Barras, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Legislative Budgetary Control Council, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Legislative Budgetary Control Council, State of Louisiana's basic financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Legislative Budgetary Control Council, State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Legislative Budgetary Control Council, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Legislative Budgetary Control Council, 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Legislative Budgetary Control Council, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Legislative Budgetary Control Council for the year ended June 30, 2019, 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 AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None