

FINANCIAL REPORT  
HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
JUNE 30, 2023

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

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## INDEPENDENT AUDITOR'S REPORT

December 21, 2023

Honorable Clay Schexnayder  
Speaker of the House of Representatives  
State of Louisiana  
Baton Rouge, Louisiana

### **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 House of Representatives, 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 House of Representatives, 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 House of Representatives, 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 House of Representatives, 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.

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## ***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 House of Representatives, 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 Responsibility 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 House of Representatives, 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 House of Representatives, 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.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the House of Representatives, State of Louisiana's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the House of Representatives, 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 House of Representatives, 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 House of Representatives, State of Louisiana's internal control over financial reporting and compliance.



New Orleans, Louisiana

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Management's discussion and analysis of the House of Representatives, State of Louisiana's financial performance presents a narrative overview and analysis of the House of Representatives' 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 House's increase in net position of \$5,346,962 was mainly due to an increase in cash balances in the current year.
- The general revenues of the House were \$31,937,253, which is an increase of \$2,745,680, or 9.4%.
- The other financing sources of the House were \$2,123,298, which is an increase of \$226,004, or 11.9%.
- The total expenses of the House were \$28,713,589, which is an increase of \$11,505,360, or 66.9%. Personnel expenses accounted for the largest portion of this increase mainly due to increases in pension and OPEB expenses.

### **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 House of Representatives' 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 House of Representatives' finances in a manner similar to a private-sector business.

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

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**OVERVIEW OF THE FINANCIAL STATEMENTS** (Continued)

**Government-wide Financial Statements** (Continued)

The Statement of Activities presents information showing how the House of Representatives' 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 House of Representatives 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 House of Representatives' only fund, the General Fund.

The House of Representatives 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 House of Representatives' 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 House's budgetary comparison, proportionate share of the collective total OPEB liability, proportionate share of the net pension liabilities, and pension contributions.

Following the required supplementary information is other supplementary information concerning the House's payments to Legislators for per diem and other compensation that further explains and supports the information in the financial statements.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**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 House, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$29,113,732 at the close of the most recent fiscal year. Included in the House's net position is its investment in capital assets. These assets are not available for future spending.

The following presents the condensed comparative statements of net position of the House:

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percentage Change</u>
<b><u>Assets:</u></b>				
Current assets	\$ 39,804,039	\$ 36,319,961	\$ 3,484,078	9.6%
Capital assets, net	246,861	90,341	156,520	173.3%
Right of use assets, net	140,670	203,190	(62,520)	(30.8%)
Total assets	<u>40,191,570</u>	<u>36,613,492</u>	<u>3,578,078</u>	9.8%
<b><u>Deferred Outflows of Resources</u></b>	<u>14,894,312</u>	<u>14,014,723</u>	<u>879,589</u>	6.3%
<b><u>Liabilities:</u></b>				
Current liabilities	1,665,294	1,905,740	(240,446)	(12.6%)
Long-term liabilities	63,601,245	54,537,042	9,064,203	16.6%
Total liabilities	<u>65,266,539</u>	<u>56,442,782</u>	<u>8,823,757</u>	15.6%
<b><u>Deferred Inflows of Resources</u></b>	<u>18,933,075</u>	<u>28,646,127</u>	<u>(9,713,052)</u>	(33.9%)
<b><u>Net Position:</u></b>				
Net investment in capital assets	239,117	83,317	155,800	187.0%
Unrestricted	(29,352,849)	(34,544,011)	5,191,162	15.0%
Total net position (deficit)	<u>\$ (29,113,732)</u>	<u>\$ (34,460,694)</u>	<u>\$ 5,346,962</u>	15.5%

Total assets of the House increased by \$3,578,078, or 9.8%. The increase in assets is mainly to increases in the cash accounts of the House of Representatives.

Total deferred outflows of the House increased by \$879,589, or 6.3%. The increase in deferred outflows of resources is due mainly to the net difference between projected and actual earnings on pension plan investments for the pension liabilities of the Louisiana State Employees' Retirement System, which is a deferred outflow of resources in the current year.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES (Continued)**

Total liabilities of the House increased by \$8,823,757, or 15.6%. The increase in liabilities is due mainly to an increase in the OPEB liability for the LSU System Health Plan and an increase in the net pension liability for the Louisiana State Employees' Retirement System.

Total deferred inflows of resources of the House decreased by \$9,713,052, or 33.9%. The decrease in the deferred inflows of resources is due to actuarial calculations used in determining the amounts as required by GASB Statement No.'s 75 & 68. The decrease in deferred inflows of resources is due mainly to the net difference between projected and actual earnings on pension plan investments for the net pension liability of the Louisiana State Employees' Retirement System. The decrease can also be attributed to the changes of assumptions or other inputs and the differences between expected and actual experience for the OPEB liabilities of the LSU System Health Plan and the State OGB Plan.

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

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<b>Percentage</b> <u>Change</u>
General revenues	\$ 31,937,253	\$ 29,191,573	\$ 2,745,680	9.4%
Expenses	28,713,589	17,208,229	11,505,360	66.9%
Other financing sources	2,123,298	1,897,294	226,004	11.9%
Change in net position	<u>\$ 5,346,962</u>	<u>\$ 13,880,638</u>	<u>\$ (8,533,676)</u>	61.5%

The statement of activities reflects a positive change for the year. Net position increased by \$5,346,962 in 2023, compared to an increase of \$13,880,638 in 2022. The change in net position decreased mainly due to increases in pension and OPEB expenses as a result of changes in actuarial valuations.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The House of Representatives' investment in capital assets, net of accumulated depreciation, as of June 30, 2023, is \$239,117. The investment in capital assets includes office furniture and equipment, computer equipment, automobiles, and right of use assets. The total increase in capital assets and right of use assets for the current fiscal year was 187.0%. The increase was primarily due to computer equipment additions in the current year.

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

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**BUDGET ANALYSIS**

A comparison of budget to actual operations is presented in the accompanying required supplementary information. The House was under budget in all areas except office expense and maintenance and capital outlay. However, most of the overages were offset by interagency transfers and reappropriated fund balance carried over from prior years. The House's total expenditures were under budget by \$725,082. Act 198 of the 2022 Regular Session of the Louisiana Legislature, which made appropriations for the expenses of the legislature for fiscal year 2022-2023, mandated that the appropriations from the State General Fund be \$30,998,300 with no reductions.

**ECONOMIC OUTLOOK**

The House's fiscal year 2024 budget was approved with no change in State General Fund Appropriation from the prior fiscal year and remained at \$30,998,300.

**CONTACTING THE HOUSE'S MANAGEMENT**

This audit report is designed to provide a general overview of the House and to demonstrate the House's accountability for its finances. If you have any questions about this report or need additional information, please contact the House of Representatives, State of Louisiana, P. O. Box 94062, Baton Rouge, Louisiana 70804.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
GOVERNMENTAL FUND BALANCE SHEET /  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 39,616,501	\$ -	\$ 39,616,501
Due from other legislative agencies	112,601	-	112,601
Accounts receivable	15,966	-	15,966
Promotional inventory	58,971	-	58,971
Capital assets (net of accumulated depreciation)	-	246,861 (1)	246,861
Right of use assets (net of accumulated depreciation)	-	140,670 (1)	140,670
Total Assets	<u>\$ 39,804,039</u>	<u>387,531</u>	<u>40,191,570</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	-	8,593,113 (2)	8,593,113
Deferred outflows related to OPEB	-	6,301,199 (2)	6,301,199
Total Deferred Outflows of Resources	-	<u>14,894,312</u>	<u>14,894,312</u>
Total Assets	<u>\$ 39,804,039</u>		
<b>LIABILITIES:</b>			
Accounts payable	\$ 104,868	\$ -	\$ 104,868
Accrued liabilities	842,306	-	842,306
Accrued payroll	544,023	-	544,023
Compensated absences:			
Current portion	-	109,779 (2)	109,779
Noncurrent portion	-	1,715,491 (2)	1,715,491
Lease liability:			
Current portion	-	64,318 (2)	64,318
Noncurrent portion	-	84,096 (2)	84,096
OPEB payable	-	23,919,175 (2)	23,919,175
Net pension liabilities	-	37,882,483 (2)	37,882,483
Total Liabilities	<u>1,491,197</u>	<u>63,775,342</u>	<u>65,266,539</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	-	231,018 (2)	231,018
Deferred inflows related to OPEB	-	18,702,057 (2)	18,702,057
Total Deferred Inflows of Resources	-	<u>18,933,075</u>	<u>18,933,075</u>
<b>FUND BALANCE/NET POSITION:</b>			
Nonspendable	58,971	(58,971)	-
Restricted	148,414	(148,414)	-
Committed	775,982	(775,982)	-
Assigned	30,769,445	(30,769,445)	-
Unassigned	6,560,030	(6,560,030)	-
Total Fund Balance	<u>38,312,842</u>		
Total Liabilities and Fund Balance	<u>\$ 39,804,039</u>		
<b>NET POSITION:</b>			
Net investment in capital assets		239,117	239,117
Unrestricted		<u>(29,352,849)</u>	<u>(29,352,849)</u>
TOTAL NET POSITION (DEFICIT)		<u>\$ (29,113,732)</u>	<u>\$ (29,113,732)</u>

\*Explanations

- (1) Capital assets and right of use assets used in governmental activities are not current financial resources and, therefore, are reported in the General Fund.
- (2) Long-term liabilities, such as compensated absences, lease liability, net pension liability, and other postemployment benefits payable, 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.

HOUSE OF REPRESENTATIVES  
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

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/EXPENSES:</b>			
Personnel services	\$ 26,576,099	\$ (1,474,305) (1)	\$ 25,101,794
Travel	416,592	-	416,592
Supplies	222,898	-	222,898
Telephone, utilities, and building	307,072	-	307,072
Dues and subscriptions	4,402	-	4,402
Printing	116,805	-	116,805
Office expense and maintenance	2,302,868	(69,084) (3)	2,233,784
Professional services	48,849	-	48,849
Capital outlay	348,109	(210,826) (2)	137,283
Depreciation - capital assets	-	54,306 (2)	54,306
Depreciation - right of use assets	-	62,520 (2)	62,520
Interest - lease liability	-	7,284 (3)	7,284
Total expenditures/expenses	<u>30,343,694</u>	<u>(1,630,105)</u>	<u>28,713,589</u>
<b>GENERAL REVENUES:</b>			
State appropriations	30,998,300	-	30,998,300
Interest	704,674	-	704,674
Other income	232,548	1,731 (1)	234,279
Total general revenues	<u>31,935,522</u>	<u>1,731</u>	<u>31,937,253</u>
Excess (deficiency) of general revenues over expenditures/expenses	<u>1,591,828</u>	<u>(1,591,828)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES:</b>			
Interagency transfers in	2,123,298	-	2,123,298
Total other financing sources	<u>2,123,298</u>	<u>-</u>	<u>2,123,298</u>
Excess of expenditures/expenses over general revenues and other financing sources	3,715,126	(3,715,126)	-
CHANGE IN NET POSITION	-	5,346,962	5,346,962
<b>FUND BALANCE/NET POSITION:</b>			
Beginning of year	34,597,716	(69,058,410)	(34,460,694)
End of Year	<u>\$ 38,312,842</u>	<u>\$ (67,426,574)</u>	<u>\$ (29,113,732)</u>

\*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 outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.
- (3) Principal payments on lease liabilities are reported in the governmental funds as expenditures. However, in the Statement of Activities, the payments are not reported as expenditures as they reduce lease liabilities.

See accompanying notes.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NATURE OF OPERATIONS:

The House of Representatives is a part of the legislative branch of government created under Article III of the 1974 Louisiana Constitution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of the Governmental Accounting and Reporting Guidelines*. The accompanying financial statements have been prepared in accordance with such principles.

Financial Reporting Entity:

Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the House of Representatives, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the House of Representatives 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 House of Representatives has no fiduciary funds or component units.

Fund Accounting:

The House of Representatives 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 House of Representatives has only a General Fund, supported by an appropriation from the State of Louisiana, and self-generated funds. The General Fund is used to account for all of the House of Representatives' 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 House of Representatives 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. Using this methodology, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures

HOUSE OF REPRESENTATIVES  
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

are recorded when a liability is incurred, as in accrual accounting. However, lease liabilities, compensated absences, pension liabilities, and other postemployment benefits (OPEB) are recorded when payment is due.

The General Fund column is adjusted to create a Statement of Net Position and 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 House of Representatives defines cash as interest-bearing deposits. Under state law, the House of Representatives may deposit funds in an approved bank located in the state selected by the presiding officer of the House of Representatives. These public deposits must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

Promotional Inventory:

The House of Representatives maintains an inventory of promotional items, which are available for sale to the general public, in the interest of promoting the State of Louisiana and the legislature. Inventory items are recorded at the lower of cost or market on a first-in, first-out basis.

Capital Assets:

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

The accompanying financial statements do not include the value of land and buildings provided without cost to the House of Representatives by the State of Louisiana. Those 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:

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets: (Continued)

Furniture and Equipment	5 - 10 years
Automobiles	5 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.

Deferred Outflows of Resources and Deferred Inflows of Resources:

A deferred outflow of resources represents a consumption of net assets 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 assets 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 House of Representatives 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 House is authorized to transfer budget amounts between accounts in the General Fund. Revisions, which 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 for the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the House of Representatives includes the prior year's fund balance represented by appropriated fund balance remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue because 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.

HOUSE OF REPRESENTATIVES  
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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. The House of Representatives' employees accrue unlimited amounts of annual and sick leave at varying rates, as established by the House of Representatives' personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week up to 360 hours in odd-numbered years. The compensatory leave may be used similarly to annual or sick leave, and any unused balance up to 360 hours is paid to the employee upon resignation or retirement.

Postemployment Benefits:

The House of Representatives provides certain healthcare and life insurance benefits for retired employees. Substantially all of the House of Representatives' employees may become eligible for those benefits if they reach normal retirement age while working for the House. 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 House of Representatives. The House of Representatives 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 \$866,751 which covered 152 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.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
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JUNE 30, 2023

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 House itself, using its highest level of decision-making authority, the Speaker of the House. To be reported as *committed*, amounts cannot be used for any other purpose unless the House takes the same highest-level action to remove or change the constraint.
- (d) *Assigned* includes fund balance amounts that the House intends to use for specific purposes as determined by the Speaker of the House that are neither considered restricted nor committed.
- (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 House of Representatives 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 House of Representatives does not have a formal minimum fund balance policy.

Noncurrent Liabilities:

Noncurrent liabilities include estimated amounts for lease liabilities, accrued compensated absences, other postemployment benefits, 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 the Teachers' Retirement System of Louisiana (TRSL) and additions to/deductions from LASERS' and TRSL's fiduciary net positions have been determined on the same basis as they are reported by LASERS and TRSL. 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.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
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JUNE 30, 2023

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 House's total investment in capital assets, net of accumulated depreciation, and reduced by any related liabilities.
- (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 House and may be used at its discretion to meet current expenses and for any purpose.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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 House of Representatives 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 House of Representatives: GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

HOUSE OF REPRESENTATIVES  
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2. CASH IN BANK:

At June 30, 2023, the carrying amount of the House of Representatives' cash accounts was \$39,616,501. The bank balances were \$39,834,918. These balances are entirely secured from risk by federal depository insurance or by pledged securities held by the House of Representatives' custodial bank in the name of the House of Representatives.

3. CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2023, was as follows:

	Balance			Balance		
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>		
Automobiles	\$ 78,436	\$ -	\$ -	\$ 78,436		
Furniture and equipment	692,330	210,826	(98,359)	804,797		
Total capital assets	770,766	210,826	(98,359)	883,233		
Less: accumulated depreciation	(680,425)	(54,306)	98,359	(636,372)		
Capital assets, net	<u>\$ 90,341</u>	<u>\$ 156,520</u>	<u>\$ -</u>	<u>\$ 246,861</u>		

A summary of changes in right of use assets for the year ended June 30, 2023, was as follows:

	Balance			Balance		
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>		
Right of use assets	\$ 312,600	\$ -	\$ -	\$ 312,600		
Less: accumulated depreciation	(109,410)	(62,520)	-	(171,930)		
Right of use assets, net	<u>\$ 203,190</u>	<u>\$ (62,520)</u>	<u>\$ -</u>	<u>\$ 140,670</u>		

4. PENSION PLANS:

Plan Descriptions:

Substantially all employees of the House of Representatives are members of one of two statewide, public employee retirement systems: the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL). Both plans are administered by separate boards of trustees and are cost-sharing, multiple-employer defined benefit pension plans. The State of Louisiana guarantees benefits granted by the retirement systems 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 systems issue annual, publicly-available financial reports that include financial statements and required supplementary information for the systems. The reports for LASERS and TRSL may be obtained at [www.lasersonline.org](http://www.lasersonline.org) and [www.trsl.org](http://www.trsl.org), respectively.

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4. PENSION PLANS: (Continued)

Benefits Provided:

*Retirement Benefits – LASERS:*

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. 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.

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4. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

*Retirement Benefits – LASERS:* (Continued)

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

*Retirement Benefits – TRSL:*

TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in 11:701.

Members of the Regular Plan whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least five years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members of the Regular Plan whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, may retire with a 2.5% benefit factor after attaining age 60 with at least five years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% benefit factor at the earliest of age 60 with five years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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4. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

*Retirement Benefits – TRSL:* (Continued)

Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2.0% benefit factor at the earliest of age 60 with five years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Retirement benefits are based on a formula which multiplies the final average compensation by the applicable benefit factor, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

A retiring TRSL member is entitled to receive the maximum monthly benefit payable until the member's death. In lieu of the maximum monthly benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or a monthly benefit (maximum or reduced Joint and Survivor Option) with a lump sum that can't exceed 36 months of the member's maximum monthly benefit amount. Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

*Deferred Benefits - LASERS:*

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 0.5% 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.

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4. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

*Deferred Benefits - LASERS:* (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 0.5% 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.

*Deferred Benefits - TRSL:*

In lieu of terminating employment and accepting a service retirement, an eligible TRSL member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed three years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

*Disability Benefits - LASERS:*

Generally, active members with 10 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.

*Disability Benefits - TRSL:*

Active members of TRSL whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit, are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the

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4. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

*Disability Benefits – TRSL:* (Continued)

member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

*Survivor's Benefits – LASERS:*

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.

*Survivor's Benefits - TRSL:*

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, and the deceased member had at least 10 years of creditable service, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

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4. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

*Permanent Benefit Increases/Cost-of-Living Adjustments – LASERS and TRSL:*

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS and TRSL allow 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 systems' actuaries. 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.

The employee contribution rate for LASERS and TRSL was 8% of covered payroll, except for LASERS members hired before July 1, 2006, who contribute 7.5% of covered payroll. For the year ended June 30, 2023, the employer contribution rate for LASERS and TRSL was 40.4% and 24.8%, respectively. Employer contributions to LASERS and TRSL were \$4,615,118 and \$44,328, respectively, for the year ended June 30, 2023.

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

At June 30, 2023, the House of Representatives reported a liability for LASERS and TRSL, of \$37,517,109 and \$365,374, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The House of Representatives' proportion of the net pension liability for each retirement system was based on a projection of the House of Representatives' 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 House of Representatives' proportion for LASERS and TRSL was 0.49628% and 0.00383%, respectively. This reflects a decrease for LASERS of 0.00858% and a decrease for TRSL of 0.00079% from their proportions measured as of June 30, 2021.

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4. PENSION PLANS: (Continued)

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

For the year ended June 30, 2023, the House of Representatives recognized pension expense (benefit), for which there were no forfeitures, as follows:

	Pension Expense
LASERS	\$ 4,380,707
TRSL	65,817
Total	<u>\$ 4,446,524</u>

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

	<b>Deferred Outflows of Resources</b>		
	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>
Differences between expected and actual experience	\$ 102,314	\$ 5,663	\$ 107,977
Changes of assumptions	682,114	24,644	706,758
Net difference between projected and actual earnings on pension plan investments	3,021,869	20,735	3,042,604
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	76,328	76,328
Employer contributions subsequent to the measurement date	4,615,118	44,328	4,659,446
Total	<u>\$ 8,421,415</u>	<u>\$ 171,698</u>	<u>\$ 8,593,113</u>

	<b>Deferred Inflows of Resources</b>		
	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ 1,054	\$ 1,054
Changes in proportion and differences between employer contributions and proportionate share of contributions	177,952	52,012	229,964
Total	<u>\$ 177,952</u>	<u>\$ 53,066</u>	<u>\$ 231,018</u>

During the year ended June 30, 2023, employer contributions totaling \$4,615,118 and \$44,328 were made subsequent to the measurement date for LASERS and TRSL, respectively. 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 (benefit) as follows:

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4. PENSION PLANS: (Continued)

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

	<b>LASERS</b>	<b>TRSL</b>
<b>Year ending June 30:</b>		
2024	\$ 1,696,498	\$ 26,222
2025	624,401	19,539
2026	(764,142)	5,366
2027	2,071,588	23,177
Total	\$ 3,628,345	\$ 74,304

Actuarial Assumptions:

The total pension liabilities for LASERS and TRSL in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<b>LASERS</b>	<b>TRSL</b>
<b>Valuation Date</b>	June 30, 2022	June 30, 2022
<b>Actuarial cost method</b>	Entry Age Normal	Entry Age Normal
<b>Amortization approach</b>	Closed	Closed
<b>Actuarial assumptions:</b>		
<b>Expected Remaining Service Lives</b>	2 years	5 years
<b>Investment rate of return</b>	7.25% per annum, net of investment expenses	7.25% per annum, net of investment expenses
<b>Inflation rate</b>	2.30% per annum	2.30% per annum
<b>Projected salary increases</b>	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%.	3.1% - 4.6%, varies depending on duration of service.
<b>Cost-of-living adjustments</b>	None, since they are not deemed to be substantively automatic.	None, since they are not deemed to be substantively automatic.
<b>Mortality Rates</b>	<p><b>Non-disabled members</b> - 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.</p> <p><b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>	<p><b>Active members</b> - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females.</p> <p><b>Non-Disabled retiree/inactive members</b> - RP - 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.</p> <p><b>Disability Retiree Mortality</b> - RP-2014 Disability tables, adjusted by 1.111 for males and 1.134 for females.</p> <p>These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.</p>
<b>Termination, disability, and retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2013-2017) experience study of the System's members.

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4. PENSION PLANS: (Continued)

Actuarial Assumptions: (Continued)

For LASERS and TRSL 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 (LASERS 2.30%, TRSL 2.30%) and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return for LASERS and TRSL are 8.34% and 8.32%, respectively.

The target allocation and best estimates of geometric (LASERS) and arithmetic (TRSL) 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:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>LASERS</u>	<u>TRSL</u>	<u>LASERS</u>	<u>TRSL</u>
Cash	0.00%		0.39%	
Domestic equity	31.00%	27.00%	4.57%	4.15%
International equity	23.00%	19.00%	5.76%	5.16%
Domestic fixed income	3.00%	13.00%	1.48%	0.85%
International fixed income	17.00%	5.50%	5.04%	-0.10%
Alternative investments:	26.00%		8.30%	
Private equity		25.50%		8.15%
Other private assets		10.00%		3.72%
Total	<u>100.00%</u>	<u>100.00%</u>	5.91%	

Discount Rates:

The discount rate used to measure the total pension liability for LASERS and TRSL was 7.25%. The projection of cash flows used to determine the discount rates 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 plans' actuaries. Based on those assumptions, the pension plans' 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.

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4. PENSION PLANS: (Continued)

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

The following presents the House's proportionate share of the net pension liability using the current discount rate, as well as what the House'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	\$ 47,207,472	\$ 37,517,109	\$ 28,680,906
	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
TRSL	\$ 501,784	\$ 365,374	\$ 241,510
Total	\$ 47,709,256	\$ 37,882,483	\$ 28,922,416

Support of Non-employer Contributing Entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The House of Representatives recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2023, the House of Representatives recognized revenue from non-employer contributing entities of \$1,731 for its participation in TRSL. There were no non-employer contributions received from LASERS.

Pension Plan Fiduciary Net Position:

Detailed information about the pension plans' fiduciary net position is available in the separately issued LASERS and TRSL 2022 Annual Comprehensive Financial Reports at [www.lasersonline.org](http://www.lasersonline.org) and [www.trsl.org](http://www.trsl.org), respectively.

Payables to the Pension Plans:

At June 30, 2023, payables to LASERS and TRSL were \$183,064 and \$1,351, respectively, for June 2023 employee and employer legally required contributions.

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5. OTHER POSTEMPLOYMENT BENEFITS:

Substantially, all House of Representatives employees become eligible for postemployment healthcare and life insurance benefits if they reach normal retirement age while working for the House. The House of Representatives 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 is with the LSU System Health Plan. Information about each of these two plans is presented on the following pages.

Plan Descriptions:

*State OGB Plan:*

The House of Representatives' 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 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](http://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/>.

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5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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.

*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 \$167,942 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.

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5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Contributions: (Continued)

*State OGB Plan:* (Continued)

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:

<u>Years of Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
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:*

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.

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5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

*LSU System Health Plan: (Continued)*

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 \$698,809 during the year ended June 30, 2023.

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

At June 30, 2023, the House of Representatives reported a liability of \$4,126,258 and \$19,792,917 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, 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 House of Representatives' 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 House's proportion was 0.0611% as of the measurement date of July 1, 2022, a decrease of 0.0014% since the measurement date of July 1, 2021. For the LSU System Health Plan, the House's proportion was 2.36734% as of the measurement date of June 30, 2023 an increase of 0.04206% since the measurement date of June 30, 2022.

For the year ended June 30, 2023, the House of Representatives recognized OPEB expense (benefit) of \$(465,678), or \$164,885 and \$(630,563) for the OGB State Plan and LSU System Health Plan, respectively. At June 30, 2023, the House reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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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			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	\$ 282,997	\$ 4,602,193	\$ 4,885,190	\$ 1,355,920	\$ 10,224,500	\$ 11,580,420
Differences between expected and actual experience	125,521	-	125,521	-	7,028,136	7,028,136
Changes in employer's proportionate share	220,508	-	220,508	93,501	-	93,501
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	83,406	818,632	902,038	-	-	-
Amounts paid by the employer for OPEB subsequent to the measurement date	167,942	-	167,942	-	-	-
Total	<u>\$ 880,374</u>	<u>\$ 5,420,825</u>	<u>\$ 6,301,199</u>	<u>\$ 1,449,421</u>	<u>\$ 17,252,636</u>	<u>\$ 18,702,057</u>

Deferred outflows of resources related to OPEB resulting from the House of Representatives' 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:

<u>Year ending June 30:</u>	<u>OGB State Plan</u>	<u>LSU System Health Plan</u>
2024	\$ (100,829)	\$ (2,112,379)
2025	(156,793)	(2,057,057)
2026	(292,393)	(2,447,970)
2027	(186,974)	(2,645,613)
2028	-	(2,558,832)
Thereafter	-	(9,960)
Total	<u>\$ (736,989)</u>	<u>\$ (11,831,811)</u>

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5. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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
<b>Valuation Date</b>	July 1, 2022	January 1, 2023
<b>Measurement Date</b>	July 1, 2022	June 30, 2023
<b>Actuarial cost method</b>	Entry Age Normal, level percentage of pay	Entry Age Normal, level percentage of pay
<b>Actuarial assumptions:</b>		
<b>Expected Remaining Service Lives</b>	4.5 years	6.9 years
<b>Inflation rate</b>	2.40%	3.00%
<b>Salary increase rate</b>	Consistent with the pension valuation assumptions disclosed in note 4	Consistent with the pension valuation assumptions disclosed in note 4
<b>Discount rate</b>	4.09% based on Standard & Poor's 20-Year Municipal Bond Index Rate.	3.65% based on Bond Buyer 20-Bond GO Index
<b>Mortality rates</b>	<p><i>For active lives:</i> 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.</p> <p><i>For healthy retiree lives:</i> 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.</p> <p><i>For disabled retiree lives:</i> the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.</p>	<p><i>Non-Disabled lives:</i> Pub-2010 headcount weighted mortality table with generational scale MP-2021, applied specifically for teachers, general and safety personnel.</p> <p><i>Disabled lives:</i> Pub-2010 headcount weighted disabled mortality table with generational scale MP-2021, applied specifically for teachers, general and safety personnel.</p> <p><i>Note:</i> No future mortality improvements other than the generation scaling for MP-2021 were used.</p>
<b>Healthcare cost trend rates</b>	<p>7.00% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.5% 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.</p>	<p>The healthcare cost trend assumptions are used to project the cost of health care in future years. The following 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.</p> <p><i>Pre Medicare Medical/RX Benefits</i> - 7.0% (Select) and 4.0% (Ultimate)</p> <p><i>Post Medicare benefits</i> - 6.0% (Select) and 4.0% (Ultimate)</p> <p><i>Stop loss fees</i> - 7.0% (Select) and 4.0% (Ultimate)</p> <p><i>Administrative fees</i> - 4.0% (Select) and 4.0% (Ultimate)</p>

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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 the measurement date of June 30, 2022 to 3.65% as of the measurement date 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 House of Representatives' proportionate share of the collective total OPEB liability using the current discount rate as well as what the House'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	\$ 4,746,331	\$ 4,126,258	\$ 3,625,856
LSU System Health Plan	23,949,430	19,792,917	16,535,940
Total Proportionate Share of Collective Total OPEB Liability	<u>\$ 28,695,761</u>	<u>\$ 23,919,175</u>	<u>\$ 20,161,796</u>

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

The following presents the House of Representatives' proportionate share of the collective total OPEB liability using the current healthcare cost trend rates as well as what the House'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	\$ 3,708,177	\$ 4,126,258	\$ 4,648,882
LSU System Health Plan	16,318,127	19,792,917	24,461,856
Total Proportionate Share of Collective Total OPEB Liability	<u>\$ 20,026,304</u>	<u>\$ 23,919,175</u>	<u>\$ 29,110,738</u>

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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 House of Representatives was not involved in any lawsuits or threatened litigation.

7. RISK MANAGEMENT:

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

8. LEASES:

The House of Representatives has adopted the guidelines of the Louisiana Office of Statewide Reporting and Accounting Policy for the GASB Statement No. 87 reporting of leases. Leases with a total contract value (the gross (undiscounted) aggregate value of fixed and fixed-in-substance cash flows remaining over the term of the contract, including reasonably certain renewal periods) of \$100,000 are evaluated for lease reporting under GASB Statement No. 87. Leases with a total contract value under \$100,000 are recorded in the same manner as a short-term lease with rent payments reported as expense or revenue in the statement of activities as those payments are due based on the terms of the lease.

Canon Copier Lease

During the year ended June 30, 2021, the House of Representatives entered into a lease agreement with Advanced Office Systems, Inc. for the lease of several copiers. The copiers were leased for a term of 60 months, effective September 8, 2020, at a rate of \$5,757 per month. There is a renewal clause for additional three-month periods unless the House provides written notice of intent to return the equipment at least 60 days prior to the end date. In addition, the House has the option to purchase the copiers at fair market value at the end of the lease. Interest due by the House for late payments shall be at the lessor's discount rate of 4.00%.

The canon copier lease is summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Lease Liability Total</u>	<u>Lease Liability 6/30/2023</u>
Canon copiers	9/8/2020	60 months	\$5,757	4.00%	\$312,600	\$ 148,414

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8. LEASES: (Continued)

Canon Copier Lease (Continued)

As of June 30, 2023, a right to use asset, net of depreciation, of \$140,670, and a lease liability of \$148,414 are recorded in the House’s Statement of Net Position.

Annual requirements to amortize the long-term obligation and related interest on the canon copiers lease are as follows:

Year Ending		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 64,318	\$ 4,766
2025	66,939	2,145
2026	17,157	115
Total	<u>\$148,414</u>	<u>\$ 7,026</u>

Computer and Office Equipment Leases

The House of Representatives has operating leases for computer and office equipment on a month-to-month, as needed, basis. The lease agreements have nonappropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period. Rental and lease expenditures totaled \$27,183 for the year ended June 30, 2023.

Pentagon Barracks Lease

The House of Representatives leases approximately 21 Pentagon Barracks apartments for Representatives. The apartments are leased for periods of 12 months at a time with no option to renew and new lease agreements are signed annually. For the year ended June 30, 2023, all of the House’s Pentagon Barracks apartments were on 12-month leases, which expire on December 31, 2023. The apartments are leased at varying rates based on the number of bedrooms. The monthly rates for the apartments range from \$125 per month to \$500 per month. The House may terminate the Member’s occupancy and take possession of the apartment at any time for the violation of the lease guidelines, violations of state law, behavior unbecoming of the Louisiana House of Representatives, or when the Speaker of the House determines that it is in the best interest of the House. Rental revenues from the Pentagon Barracks apartments were \$98,650 for the year ended June 30, 2023.

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9. CHANGES IN LONG-TERM LIABILITIES:

The following is a summary of the changes in the House of Representatives' long-term liabilities for the year ended June 30, 2023:

	Balance			Balance	Due Within
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>One Year</u>
Compensated absences	\$ 1,754,224	\$ 244,791	\$ 173,745	\$ 1,825,270	\$ 109,779
Lease liability	210,214	-	61,800	148,414	64,318
Total long-term liabilities	<u>\$ 1,964,438</u>	<u>\$ 244,791</u>	<u>\$ 235,545</u>	<u>\$ 1,973,684</u>	<u>\$ 174,097</u>

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

10. FUND BALANCES:

As of June 30, 2023, the House of Representatives has an unassigned fund balance of \$6,560,030. The fund balance also includes amounts classified as nonspendable, restricted, committed, and assigned for the following purposes:

	<u>General Fund</u>
Nonspendable:	
Inventory	\$ 58,971
Total nonspendable fund balance	<u>\$ 58,971</u>
Restricted:	
Future obligation on equipment lease	\$ 148,414
Total restricted fund balance	<u>\$ 148,414</u>
Committed:	
Pentagon account	\$ 266,786
Capitol Foundation account	414,972
Arts fund	8,011
Flexible Benefits account (net of liabilities)	86,213
Total committed fund balance	<u>\$ 775,982</u>
Assigned:	
Annex and basement renovations	\$ 575,000
Tower office renovations	750,000
Computer hardware and software upgrades	2,800,000
Committee room and chamber upgrades	900,000
Other postemployment benefits obligation	23,919,175
Compensated absences obligation	1,825,270
Total assigned fund balance	<u>\$ 30,769,445</u>

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

11. INTERAGENCY TRANSFERS:

Amounts received from other governmental units for the year ended June 30, 2023, consist of the following:

	<u>Office Operations</u>	<u>Capital Outlay</u>	<u>Personnel Services</u>	<u>Total</u>
Legislative Budgetary				
Control Council	\$ 1,769,199	\$ 335,848	\$ -	\$ 2,105,047
Other Agencies	-	-	18,251	18,251
Total	<u>\$ 1,769,199</u>	<u>\$ 335,848</u>	<u>\$ 18,251</u>	<u>\$ 2,123,298</u>

The amounts due from Legislative Budgetary Control Council and other agencies totaled \$112,601 at year-end.

12. 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.

13. DEFICIT NET POSITION:

The House of Representatives reported a deficit unrestricted net position of \$29,352,849 as of June 30, 2023. This deficit is due to the recording of net pension liability and other postemployment benefits on the government-wide financial statements.

14. DEFERRED COMPENSATION PLAN:

Certain employees of the House of Representatives 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 of the Plan available from the Louisiana Legislative Auditor's website at [www.la.la.gov](http://www.la.la.gov).

REQUIRED SUPPLEMENTARY INFORMATION

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

	Actual Amounts					
	GAAP to Budget			Budgeted Amounts		Variance with Final Budget
	GAAP Basis	Differences Over (Under)	Budgetary Basis	Original	Final	
<b>REVENUES:</b>						
State appropriations	\$ 30,998,300	\$ -	\$ 30,998,300	\$ 30,998,300	\$ 30,998,300	\$ -
Interest	704,674	-	704,674	-	-	704,674
Other	232,548	-	232,548	-	-	232,548
Reappropriated fund balance (1)	-	35,071,263 (1)	35,071,263	35,071,263	35,071,263	-
Total revenues	<u>31,935,522</u>	<u>35,071,263</u>	<u>67,006,785</u>	<u>66,069,563</u>	<u>66,069,563</u>	<u>937,222</u>
<b>EXPENDITURES:</b>						
Personnel services (2)	26,576,099	(70,476) (2)	26,505,623	27,041,455	27,041,455	(535,832)
Travel	416,592	-	416,592	504,120	504,120	(87,528)
Supplies	222,898	-	222,898	461,050	461,050	(238,152)
Telephone, utilities, and building	307,072	-	307,072	838,000	838,000	(530,928)
Dues and subscriptions	4,402	-	4,402	7,625	7,625	(3,223)
Printing	116,805	-	116,805	726,250	726,250	(609,445)
Office expense and maintenance	2,302,868	-	2,302,868	1,018,000	1,018,000	1,284,868
Professional services	48,849	-	48,849	55,500	55,500	(6,651)
Capital outlay	348,109	-	348,109	346,300	346,300	1,809
Total expenditures	<u>30,343,694</u>	<u>(70,476)</u>	<u>30,273,218</u>	<u>30,998,300</u>	<u>30,998,300</u>	<u>(725,082)</u>
Excess (deficiency) of revenues over expenditures	1,591,828	35,141,739	36,733,567	35,071,263	35,071,263	1,662,304
<b>OTHER FINANCING SOURCES (USES):</b>						
Interagency transfers in	2,123,298	-	2,123,298	-	-	2,123,298
Total other financing sources	<u>2,123,298</u>	<u>-</u>	<u>2,123,298</u>	<u>-</u>	<u>-</u>	<u>2,123,298</u>
Net change in fund balance	3,715,126	35,141,739	38,856,865	35,071,263	35,071,263	3,785,602
Fund balances - beginning	34,597,716	473,547 (3)	35,071,263	35,071,263	35,071,263	-
Less reappropriated fund balance	-	(35,071,263) (1)	(35,071,263)	(35,071,263)	(35,071,263)	-
Fund balances - ending	<u>\$ 38,312,842</u>	<u>\$ 544,023</u>	<u>\$ 38,856,865</u>	<u>\$ 35,071,263</u>	<u>\$ 35,071,263</u>	<u>\$ 3,785,602</u>

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 House of Representatives, State of Louisiana'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.

HOUSE OF REPRESENTATIVES  
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
<u>State OGB Plan</u>				
2023	0.06110%	\$ 4,126,258	\$ 2,033,981	202.9%
2022	0.06250%	5,724,927	2,005,403	285.5%
2021	0.05940%	4,918,755	1,657,700	296.7%
2020	0.05719%	4,416,881	1,136,311	388.7%
2019	0.05680%	4,849,426	990,657	489.5%
2018	0.05580%	4,851,182	865,310	560.6%
2017	0.05580%	5,064,522	1,077,953	469.8%
 <u>LSU System Health Plan</u>				
2023	2.36734%	\$ 19,792,917	\$ 13,097,378	151.1%
2022	2.32528%	18,997,256	13,053,719	145.5%
2021	3.06480%	45,087,197	13,082,298	344.6%
2020	3.00910%	42,192,475	13,870,439	304.2%
2019	3.56515%	38,975,303	13,535,135	288.0%
2018	3.52653%	34,407,212	14,299,654	240.6%
2017	3.50625%	35,389,307	13,525,978	261.6%

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

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE  
TOTAL OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023

1. 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 the High-Cost Excise Tax was removed. The High-Cost Excise Tax was repealed in December 2019.
  - Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience studies.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE  
TOTAL OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023

1. STATE OGB PLAN: (Continued)

Changes in Assumptions: (Continued)

- The valuation report as of July 1, 2020 made the following changes:
  - The discount rate decreased from 2.79% to 2.66%.
  - Baseline per capita costs were updated to reflect 2020 claims and enrollment, and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, this experience was not believed to be reflective of what can be expected in future years.
  - The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.
  - Medical participation rates, life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan election percentages have all been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.
- 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.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE  
TOTAL OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023

1. STATE OGB PLAN: (Continued)

Changes in Assumptions: (Continued)

- 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.

2. 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 benefits.

Changes of Benefit Terms:

- None

Changes in Assumptions:

- The valuation report as of June 30, 2018 made the following changes:
  - The discount rate increased 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:
  - The discount rate decreased from 3.50% to 2.21%.
  - The retirement rates were updated to the most recent rates from LASERS and TRSL Actuarial Valuations.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE  
TOTAL OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023

2. LSU SYSTEM HEALTH PLAN: (Continued)

Changes in Assumptions: (Continued)

- The mortality assumptions were 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.
  - 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%.

HOUSE OF REPRESENTATIVES  
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
<u>LASERS:</u>					
2023	0.496280%	\$ 37,517,109	\$ 11,319,909	331.4%	63.7%
2022	0.504860%	27,787,372	11,310,597	245.7%	72.8%
2021	0.519690%	42,981,917	11,621,385	369.9%	58.0%
2020	0.565100%	40,940,788	11,346,161	360.8%	62.9%
2019	0.546700%	37,284,473	10,904,629	341.9%	64.3%
2018	0.532010%	37,447,348	10,422,565	359.3%	62.5%
2017	0.526640%	41,354,600	10,336,663	400.1%	57.7%
2016	0.504300%	34,300,148	9,819,695	349.3%	62.7%
2015	0.512260%	32,031,186	10,209,736	313.7%	65.0%
2014	0.471150%	34,321,437	9,993,199	343.4%	58.6%
<u>TRSL:</u>					
2023	0.003830%	\$ 365,374	\$ 200,997	181.8%	72.4%
2022	0.004620%	246,544	184,705	133.5%	83.9%
2021	0.003310%	368,413	158,531	232.4%	65.6%
2020	0.003250%	322,253	149,282	215.9%	68.6%
2019	0.003130%	307,224	127,005	241.9%	68.2%
2018	0.002620%	269,009	113,873	236.2%	65.6%
2017	0.002550%	298,824	157,167	190.1%	59.9%
2016	0.003960%	425,683	128,306	331.8%	62.5%
2015	0.002400%	245,519	129,579	189.5%	63.7%
2014	0.000760%	90,257	29,258	308.5%	56.5%

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

See accompanying notes.

HOUSE OF REPRESENTATIVES  
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
<u>LASERS:</u>					
2023	\$ 4,615,118	\$ 4,615,118	\$ -	\$ 11,435,577	40.4%
2022	4,461,973	4,461,973	-	11,319,909	39.4%
2021	4,541,497	4,541,497	-	11,310,597	40.2%
2020	4,741,076	4,741,076	-	11,621,385	40.8%
2019	4,300,195	4,300,195	-	11,346,161	37.9%
2018	4,150,215	4,150,215	-	10,904,629	38.1%
2017	3,750,510	3,750,510	-	10,422,565	36.0%
2016	3,851,563	3,851,563	-	10,336,663	37.3%
2015	3,589,560	3,589,560	-	9,819,695	36.6%
2014	3,192,092	3,192,092	-	10,209,736	31.3%
<u>TRSL:</u>					
2023	\$ 44,328	\$ 44,328	\$ -	\$ 178,860	24.8%
2022	50,487	50,487	-	200,997	25.1%
2021	47,672	47,672	-	184,705	25.8%
2020	41,299	41,299	-	158,531	26.1%
2019	39,858	39,858	-	149,282	26.7%
2018	33,786	33,786	-	127,005	26.6%
2017	29,062	29,062	-	113,873	25.5%
2016	41,296	41,296	-	157,167	26.3%
2015	35,763	35,763	-	128,306	27.9%
2014	35,286	35,286	-	129,579	27.2%

See accompanying notes.

HOUSE OF REPRESENTATIVES  
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.

TRSL:

- (a) A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.
- (b) The 2015 valuation incorporates a change providing that members employed on or after July 1, 2015 may retire at age 62 with a 2.5% benefit factor with at least 5 years of service credit or at any age after 20 years of service credit (actuarially reduced).
- (c) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
- (d) Act 657 of the 2022 Regular Session granted a 2% permanent benefit increase (COLA), effective July 1, 2022, to eligible TRSL retirees, beneficiaries, and survivors calculated on the first \$68,396 of their annual benefit.

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, 2019.

HOUSE OF REPRESENTATIVES  
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

2. CHANGES IN ASSUMPTIONS: (Continued)

LASERS: (Continued)

- (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%.
- (d) Salary increases used to measure the total pension liability changed from a range of 3.00% to 14.50% in the 2016 valuation to a range of 2.80% to 14.30% in the 2017 valuation. Salary increases used to measure total pension liability changed to a range of 2.80% to 14.00% in the June 30, 2019 valuation. Salary increases used to measure the total pension liability changed to a range of 2.60% to 13.80% in the June 30, 2020 valuation.
- (e) Retirement, termination, disability, inflation, salary increase, and expected service life assumptions and methods were updated with the June 30, 2019, valuation to reflect the results of the most recent experience study observed for the period of July 1, 2013 through June 30, 2018.
- (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.

HOUSE OF REPRESENTATIVES  
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

2. CHANGES IN ASSUMPTIONS: (Continued)

TRSL:

- (a) 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.
- (b) Effective July 1, 2017, the TRSL board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in 0.05% annual increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation, and reduced to 7.65% for the June 30, 2018 valuation. On November 1, 2018, the TRSL board accelerated the discount rate reduction plan by one year and a 7.55% rate was used to determine the projected contribution requirements for the June 30, 2019 valuation. On January 9, 2020, the TRSL board accelerated the discount rate reduction plan and a 7.45% rate was used to determine the projected actuarially required contribution rates for the June 30, 2020 valuation. The TRSL board adopted a reduction in the discount rate to 7.40% for purposes of determining the projected contribution requirements for fiscal year 2022. The discount rate used to determine the projected contribution requirements for fiscal year 2023 was reduced beyond the original plan to 7.25%.
- (c) Demographic, mortality and salary assumptions were updated beginning with the June 30, 2018, valuation to reflect the results of the most recent experience study observed for the period of July 1, 2012 through June 30, 2017.
- (d) Effective June 30, 2020, the inflation assumption was reduced from 2.50% to 2.30% and all salary assumptions were reduced by 0.20%.
- (e) Two triggers set by Act 95 of the 2016 Regular Session were met on June 30, 2021. Since the funded ratio reached 70%, the amortization period for changes in assumptions, experience losses, and most experience gains reduced from 30 years to 20 years. In addition, the OAB was re-amortized with level-dollar payments to 2029 since this re-amortization resulted in annual payments which are less than the fiscal year 2022 payments that would have been required without the re-amortization.
- (f) Effective June 30, 2022, the discount rate was reduced from 7.40% to 7.25%. This change was anticipated in the determination of the projected contribution requirement for fiscal year 2023.

SUPPLEMENTARY INFORMATION

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session A</u>		<u>Travel</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
ADAMS, ROY	\$ 37,311	60	\$ 10,500	5	\$ 875	18	\$ 3,136	\$ 22,800
AMEDEE, BERYL A	34,700	60	10,500	5	875	3	525	22,800
BACALA, ANTHONY	38,522	60	10,500	5	875	25	4,347	22,800
BAGLEY, LAWRENCE A	36,786	60	10,500	5	875	15	2,611	22,800
BEAULLIEU IV, GERALD	35,904	60	10,500	5	875	10	1,729	22,800
BISHOP, STUART J	35,554	60	10,500	5	875	8	1,379	22,800
BOURRIQUE, RYAN	36,086	60	10,500	5	875	11	1,911	22,800
BOYD, DELISHA	35,225	60	10,500	5	875	6	1,050	22,800
BRASS, KENDRICKS	34,875	60	10,500	5	875	4	700	22,800
BROWN, CHAD	35,225	60	10,500	5	875	6	1,050	22,800
BRYANT, MARCUS	34,700	60	10,500	5	875	3	525	22,800
BUTLER, RHONDA	35,729	60	10,500	5	875	9	1,554	22,800
CARPENTER, BARBARA W	36,093	60	10,500	5	875	11	1,918	22,800
CARRIER, RAYLON	36,604	60	10,500	5	875	14	2,429	22,800
CARTER, ROBERT J	35,400	60	10,500	5	875	7	1,225	22,800
CARTER, WILFORD	34,350	60	10,500	5	875	1	175	22,800
CORMIER, MACK	36,611	60	10,500	5	875	14	2,436	22,800
COUSSAN, JEAN-PAUL	34,343	60	10,500	5	875	1	168	22,800
COX, KENNY R	34,175	60	10,500	5	875	-	-	22,800
CREWS, RAYMOND	35,561	60	10,500	5	875	8	1,386	22,800
DAVIS, PAULA	34,175	60	10,500	5	875	-	-	22,800
DE VILLIER, PHILLIP	36,093	60	10,500	5	875	11	1,918	22,800
DESHOTEL, DARYL	36,443	60	10,500	5	875	13	2,268	22,800
DUBUISSON, R MARY	37,311	60	10,500	5	875	18	3,136	22,800
DUPLESSIS, ROYCE	9,805	-	-	-	-	-	-	9,805
ECHOLS, MICHAEL	34,875	60	10,500	5	875	4	700	22,800
EDMONDS, RICHARD	36,618	60	10,500	5	875	14	2,443	22,800
EDMONSTON, DONNA	35,043	60	10,500	5	875	5	868	22,800
EMERSON, JULIE	34,175	60	10,500	5	875	-	-	22,800
FARNUM, LESLIE	35,918	60	10,500	5	875	10	1,743	22,800
FIRMMENT, MICHAEL	36,422	60	10,500	5	875	13	2,247	22,800
FISHER, ADRIAN	35,400	60	10,500	5	875	7	1,225	22,800
FONTENOT, BRYAN	34,350	60	10,500	5	875	1	175	22,800
FREEMAN, AIMEE	36,611	60	10,500	5	875	14	2,436	22,800
FREIBERG, BARBARA	37,962	60	10,500	5	875	22	3,787	22,800
FRIEMAN, LAWRENCE	34,700	60	10,500	5	875	3	525	22,800
GADBERRY, FOY	36,086	60	10,500	5	875	11	1,911	22,800
GAINES, RANDAL L	34,875	60	10,500	5	875	4	700	22,800
GAROFALO JR, RAYMOND E	34,525	60	10,500	5	875	2	350	22,800
GEYMANN, BRETT FRANK	35,743	60	10,500	5	875	9	1,568	22,800
GLOVER, CEDRIC B	35,225	60	10,500	5	875	6	1,050	22,800
GOUDEAU, JONATHAN	34,175	60	10,500	5	875	-	-	22,800
GREEN JR, KYLE	36,625	60	10,500	5	875	14	2,450	22,800

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2023

Representative	Total	Regular Session		Special Session A		Travel		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
HARRIS, LANCE	\$ 35,211	60	\$ 10,500	5	\$ 875	6	\$ 1,036	\$ 22,800
HILFERTY, STEPHANIE	34,350	60	10,500	5	875	1	175	22,800
HODGES, VALARIE H	35,393	60	10,500	5	875	7	1,218	22,800
HOLLIS, PAUL BRYAN	34,350	60	10,500	5	875	1	175	22,800
HORTON, SYLVIA	35,225	60	10,500	5	875	6	1,050	22,800
HUGHES, JASON	37,472	60	10,500	5	875	19	3,297	22,800
HUVAL, MICHAEL	37,297	60	10,500	5	875	18	3,122	22,800
ILLG, JOHN	40,216	60	10,500	5	875	35	6,041	22,800
IVEY, BARRY	35,393	60	10,500	5	875	7	1,218	22,800
JEFFERSON, PATRICK O'NEAL	36,758	60	10,500	5	875	15	2,583	22,800
JENKINS JR, SAMUEL L	35,743	60	10,500	5	875	9	1,568	22,800
JOHNSON, CAZERRICK TRAVIS	34,868	60	10,500	5	875	4	693	22,800
JOHNSON, MICHAEL	35,561	60	10,500	5	875	8	1,386	22,800
JORDAN, EDMOND D	35,743	60	10,500	5	875	9	1,568	22,800
KERNER, TIMOTHY	36,940	60	10,500	5	875	16	2,765	22,800
KNOX, ALONZO	15,805	60	10,500	-	-	1	175	5,130
LACOMBE, JEREMY	35,225	60	10,500	5	875	6	1,050	22,800
LAFLEUR, VANESSA	36,100	60	10,500	5	875	11	1,925	22,800
LANDRY, MANDIE	35,036	60	10,500	5	875	5	861	22,800
LARVADAIN III, EDWARD	37,143	60	10,500	5	875	17	2,968	22,800
LYONS SR, RODNEY	38,179	60	10,500	5	875	23	4,004	22,800
MACK, SHERMAN Q	34,175	60	10,500	5	875	-	-	22,800
MAGEE, TANNER	42,379	60	10,500	5	875	3	504	30,500
MARCELLE, CLARA D	37,143	60	10,500	5	875	17	2,968	22,800
MARINO III, JOSEPH	34,693	60	10,500	5	875	3	518	22,800
MC MAHEN, ROYCE	36,268	60	10,500	5	875	12	2,093	22,800
MCCORMICK, DANNY	34,175	60	10,500	5	875	-	-	22,800
MCFARLAND, JACK G	37,129	60	10,500	5	875	17	2,954	22,800
MCKNIGHT, M SCOTT	34,847	60	10,500	5	875	4	672	22,800
MIGUEZ, BLAKE J	35,393	60	10,500	5	875	7	1,218	22,800
MILLER, DUSTIN	36,443	60	10,500	5	875	13	2,268	22,800
MILLER, GREGORY	36,233	60	10,500	5	875	12	2,058	22,800
MINCEY, ALBERT	36,772	60	10,500	5	875	15	2,597	22,800
MOORE, PATRICIA	36,450	60	10,500	5	875	13	2,275	22,800
MUSCARELLO, NICHOLAS	35,379	60	10,500	5	875	7	1,204	22,800
NELSON, RICHARD	34,875	60	10,500	5	875	4	700	22,800
NEWELL, CANDACE	36,961	60	10,500	5	875	16	2,786	22,800
ORGERON, JOSEPH	36,436	60	10,500	5	875	13	2,261	22,800
OWEN, CHARLES	35,225	60	10,500	5	875	6	1,050	22,800
OWEN, ROBERT	36,086	60	10,500	5	875	11	1,911	22,800
PHELPS, TAMMY	35,925	60	10,500	5	875	10	1,750	22,800
PIERRE, VINCENT J	36,968	60	10,500	5	875	16	2,793	22,800
PRESSLY, THOMAS	35,897	60	10,500	5	875	10	1,722	22,800

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session A</u>		<u>Travel</u>		<u>Salary and</u> <u>Expense</u> <u>Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
RISER, JR, HARTWELL	\$ 38,158	60	\$ 10,500	5	\$ 875	23	\$ 3,983	\$ 22,800
ROMERO, TROY	38,865	60	10,500	5	875	27	4,690	22,800
SCHAMERHORN, RODNEY	35,568	60	10,500	5	875	8	1,393	22,800
SCHEXNAYDER, CLAY	66,847	60	10,500	5	875	101	17,472	38,000
SCHLEGEL, LAURIE	36,443	60	10,500	5	875	13	2,268	22,800
SEABAUGH, ALAN THOMAS	34,350	60	10,500	5	875	1	175	22,800
SELDERS, LARRY	36,618	60	10,500	5	875	14	2,443	22,800
ST BLANC, VINCENT	35,568	60	10,500	5	875	8	1,393	22,800
STAGNI, JOSEPH	35,218	60	10,500	5	875	6	1,043	22,800
STEFANSKI, JOHN	36,247	60	10,500	5	875	12	2,072	22,800
TARVER, PHILLIP	35,393	60	10,500	5	875	7	1,218	22,800
THOMAS, PAULETTE	35,043	60	10,500	5	875	5	868	22,800
THOMPSON, FRANCIS	38,690	60	10,500	5	875	26	4,515	22,800
TURNER, CHRISTOPHER	41,098	60	10,500	5	875	40	6,923	22,800
VILLIO, DEBBIE	38,144	60	10,500	5	875	23	3,969	22,800
WHEAT, WILLIAM	37,304	60	10,500	5	875	18	3,129	22,800
WHITE, MALINDA B	36,933	60	10,500	5	875	16	2,758	22,800
WILLARD, MATTHEW	36,093	60	10,500	5	875	11	1,918	22,800
WRIGHT, MARK	36,968	60	10,500	5	875	16	2,793	22,800
ZERINGUE, JEROME	73,711	60	10,500	5	875	32	5,537	56,799
	<u>\$ 3,844,028</u>		<u>\$ 1,102,500</u>		<u>\$ 91,000</u>		<u>\$ 207,494</u>	<u>\$ 2,443,034</u>



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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 21, 2023

Honorable Clay Schexnayder  
Speaker of the House of Representatives  
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 House of Representatives, 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 House of Representatives, State of Louisiana's basic financial statements, and have issued our report thereon dated December 21, 2023.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the House of Representatives, 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 opinions on the financial statements, but not for the purpose of expressing opinions on the effectiveness of the House of Representatives, State of Louisiana's internal control. Accordingly, we do not express opinions on the effectiveness of the House of Representatives, State of Louisiana's internal control.

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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 House of Representatives, 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 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.



New Orleans, Louisiana

HOUSE OF REPRESENTATIVES  
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 House of Representatives, State of Louisiana for the year ended June 30, 2023 was unmodified.
  
2. Internal Control
  - Material weaknesses:       None noted
  - Significant deficiencies:   None noted
  
3. Compliance and Other Matters
  - Noncompliance material to financial statements:   None noted

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

None

SUMMARY OF PRIOR YEAR FINDINGS:

None