LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Financial Statements with Supplementary Information

June 30, 2020

(With Independent Auditors' Report Thereon)

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

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GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

Board of Commissioners
Louisiana State Board of Practical Nurse Examiners
Department of Health
State of Louisiana
Metairie, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Board as of June 30, 2020, and the respective changes in financial position, and its' cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 6 and pension and OPEB schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Division of Administration reporting package listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 4, 2020, on our consideration of Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

Griffin & Furman, LLC

September 4, 2020

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Management's Discussion and Analysis

June 30, 2020

Management's Discussion and Analysis of the Louisiana State Board of Practical Nurse Examiners' (Board) financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2020. This document focuses on the current-year's activities, resulting changes, and currently-known facts in comparison with the prior-year's information. Please read this document in conjunction with the Board's financial statements, which follow this section.

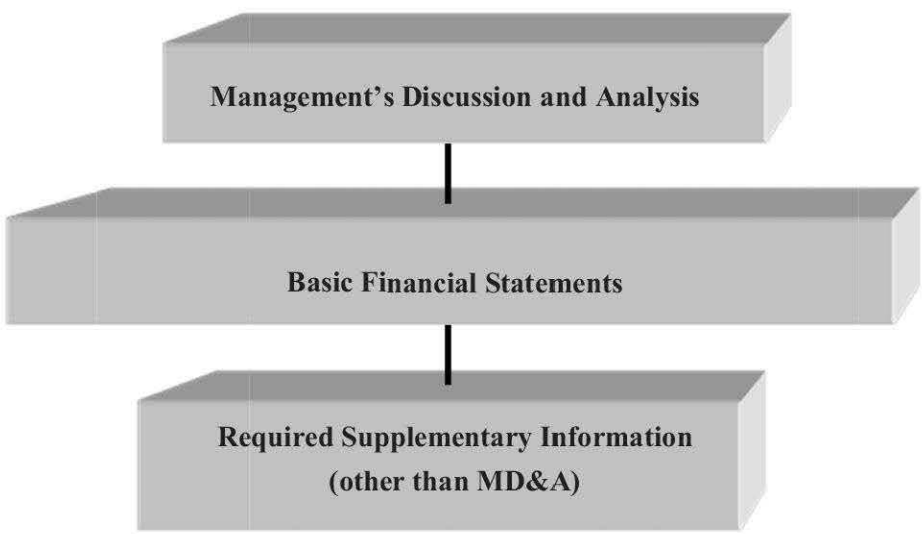
Financial Highlights

The Board's liabilities exceeded its assets at the close of fiscal year 2019 by $811,410.

The Board's operating revenue increased by $356,515, or 18.64%, and the net results from operating activities increased by $217,601, or 12.67%.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for government entities engaged in business-type activities established by the Governmental Accounting Standards Board (GASB).



These financial statements consist of two sections − Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements). This report also contains supplementary information in addition to the basic financial statements.

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

Management's Discussion and Analysis

June 30, 2020

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

Basic Financial Statements

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

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

Statement of Cash Flows

This statement presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

Financial Analysis of the Entity

Condensed statements of net position as of June 30, 2020 and 2019:

		2020	2019	Change
Total current assets	$	3,639,280	3,179,837	459,443
Capital assets, net of depreciation		67,940	84,657	(16,717)
Total assets		3,707,220	3,264,494	442,726
Deferred outflows of resources		686,548	580,573	105,975
Total assets and deferred outflows of resources	$	4,393,768	3,845,067	548,701

		2020	2019	Change
Total current liabilities	$	143,177	140,478	2,699
Noncurrent liabilities		4,376,059	4,264,625	111,434
Total liabilities		4,519,236	4,405,103	114,133
Deferred inflows of resources		335,501	272,263	63,238
Total liabilities and deferred inflows of resources		4,854,737	4,677,366	177,371
Net Position				
Invested in capital assets		67,940	84,657	(16,717)
Unrestricted		(528,909)	(916,956)	388,047
Total net position	$	(460,969)	(832,299)	371,330

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Current assets increased by $459,443 or 14.45%, from June 30, 2019 to June 30, 2020. The primary reason for the change is an increase in cash and cash equivalents.

Condensed statements of activities for the years ended June 30, 2020 and 2019:

		2020	2019	Change
Operating revenues	$	2,269,406	1,912,800	356,516
Operating expenses		1,935,224	1,717,623	217,601
Operating income		334,182	198,627	138,915
Nonoperating revenues (expenses)		37,148	(67,878)	105,026
Increase in net position		371,330	127,389	243,941
Net position – beginning of year		(832,299)	(959,688)	127,389
Net position – end of year	$	(460,969)	(832,299)	371,330

Net position of the Board increased by $371,330, or 44.61%, from June 30, 2019 to June 30, 2020. The primary reasons are due to an increase in operating expenses and revenue June 30, 2020.

Capital Assets

For the year ended June 30, 2020, the Board had $67,940 invested in a broad range of capital assets, including furniture, fixtures, computer equipment, and computer software. This amount represents a net decrease (including additions and deductions) of $16,717, or 19.75%, from last fiscal year.

Management's Discussion and Analysis

June 30, 2020

Variations Between Original and Final Budgets

Revenues were $108,054 over budget, and expenditures were under budget by $114,776.

Economic Factors and Next Year's Budgets and Rates

The Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- **There continues to be a rise in disciplinary cases involving in-depth investigational work resulting in formal hearings. The expenses of these hearings are not fully recovered by the fines and fees charged. In cases of revocation of a license, the Board rarely recovers any cost.**
- **Due to the COVID pandemic, the Governor suspended collection of fines and fees that were due between the period of March until June. Out of state nurses and graduates were issued temporary permits without a fee. Inactive nurses and retired nurses that requested reinstatement of their license were reinstated without cost. Therefore, our budget was amended to reflect this decrease in revenue.**

Contacting the Board Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lynn Ansardi, Executive Director, at (504) 838-5791.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Statement of Net Position

For the Year Ended June 30, 2020

Assets			
Current assets:			
Cash and cash equivalents	$	1,146,888	
Investments		2,469,486	
Prepaid expenses		11,122	
Interest receivable		11,784	
Total current assets			3,639,280
Noncurrent assets:			
Property and equipment, net			67,940
Total assets			3,707,220
Deferred Outflows of Resources			
Deferred outflows related to pensions		605,402	
Deferred outflows related to OPEB		81,146	
Total deferred outflows of resources			686,548
Liabilities			
Current liabilities:			
Accounts payable		27,646	
Accrued payroll expenses		58,235	
Other postemployment benefits payable - current portion		57,296	
Total current liabilities			143,177
Noncurrent liabilities:			
Compensated absences payable		92,308	
Other post employment benefits payable		1,365,906	
Net pension liability		2,917,845	
Total noncurrent liabilities			4,376,059
Total liabilities			4,519,236
Deferred Inflows of Resources			
Deferred inflows related to pensions		21,146	
Deferred inflows related to OPEB		314,355	
Total deferred inflows of resources			335,501
Net Position			
Net investment in capital assets		67,940	
Unrestricted		(528,909)	
Total net position			$ (460,969)

See accompanying notes to the financial statements.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
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Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2020

Operating revenues:			
Licenses	$	2,047,395	
Enforcement actions		216,470	
Sales of commodities and services		5,501	
Other		40	
Total operating revenues			2,269,406
Operating expenses:			
Commissioners per diem		13,113	
Salaries		944,244	
Employee benefits		515,981	
Operating services		221,878	
Supplies		11,360	
Professional services		188,411	
Travel		18,603	
Depreciation		21,634	
Total operating expenses			1,935,224
Operating income			334,182
Non-operating revenues			
Interest income		35,438	
Gain on disposal of property and equipment		1,710	
Total non-operating revenues			37,148
Increase in net position			371,330
Net position, beginning of year			(832,299)
Net position, end of year		$	(460,969)

See accompanying notes to the financial statements.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Statement of Cash Flows

For the Year Ended June 30, 2020

Cash flows from operating activities:				
Cash received from customers	$	2,278,590		
Cash paid to suppliers for goods/services		(453,750)		
Cash paid to employees for services		(1,404,340)		
Net cash provided by operating activities				420,500
Cash flows from investing activities:				
Purchases of investments		(31,450)		
Proceeds from sale of investments		5,000		
Interest received		33,296		
Net cash provided by investing activities				6,846
Cash flows from capital and related financing activities:				
Proceeds from sale of property and equipment		1,710		
Purchases of capital assets		(4,917)		
Net cash used by financing activities				(3,207)
Net increase in cash and cash equivalents				424,139
Cash and cash equivalents, beginning of year				722,749
Cash and cash equivalents, end of year			$	1,146,888

Reconciliation of operating loss to net cash provided by operating activities

Operating loss			$	334,182
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	$	21,634		
Increase in assets				
Prepaid expenses		(6,712)		
Increase in deferred outflows related to net pension & other postemployment liabilities		(105,975)		
Increase (decrease) in liabilities				
Accounts payable		(6,786)		
Accrued payroll expenses		9,184		
Compensated absences payable		16,330		
Other post employment benefits payable		(145,316)		
Net pension liability		240,721		
Increase in deferred inflows related to net pension & other post employment liabilities		63,238		
Total adjustments				86,318
Net cash provided by operating activities			$	420,500

See accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) Nature of Organization

The Louisiana State Board of Practical Nurse Examiners (Board) is a component unit of the state of Louisiana created within the Louisiana Department of Health, as provided by Louisiana Revised Statute (R.S.) 37:92. The Board is charged with the responsibility of licensing and regulating practical nurses in the state of Louisiana.

The Board is composed of 13 members appointed by the governor for a term of six years. The Board's operations are funded entirely through self-generated revenues. The Board employs 13 classified employees and one unclassified employee.

(b) Basis of Presentation

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

(c) Financial Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the governor appoints the Board members and public service is rendered within the State's boundaries. The accompanying financial statements present information only as to the transactions of the Board as authorized by Louisiana statutes and administrative regulations.

Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements. The financial statements are audited by the Louisiana Legislative Auditor.

(d) Basis of Accounting

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

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Board are accounted for using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position.

Under the accrual basis, revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and
expenses.

(e) Assets, Liabilities, and Net Position

Cash and Investments

Cash consists of demand deposits. Under state law, the Board may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States.

The Board's financial instruments, none of which are held for trading purposes, include certificates of deposit. The carrying amounts reported in the Statement of Net Position are stated at costs which approximate fair value.

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. Investments are limited by R.S. 49:327 and the Board's investment policy.

Capital Assets

Capital assets purchased with an original cost of $1,000 or more are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Estimated useful life is management's estimate of how long the asset is estimated to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Equipment	5-7 years
Software	3 years

Employee Compensated Absences

Employees earn and accumulate vacation and sick leave at varying rates, depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The cost of current leave privileges are recognized as a current-year expense. The liability for these compensated absences is recorded as a long-term obligation in the Statement of Net Position. The current portion of this debt cannot be reasonably estimated, and accordingly, it is not reported.

Noncurrent Liabilities - Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and Teacher's Retirement System of Louisiana (TRSL) and additions to/deductions from LASERS' and TRSL's fiduciary net position 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 the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of the Office of Group Benefits (OGB) and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by OGB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the statement of net position, deferred outflows of resources and deferred inflows of resources are reported for amounts related to the Board's pension plan and other post employment benefit plan that will be amortized as a component of pension and other post employment benefit expense in future years.

Net Position

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

Investment in capital assets consists of all capital assets, net of accumulated depreciation.

Unrestricted net position consists of all other resources that are not included in the other category previously mentioned.

Use of Estimates

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

(2) Stewardship, Compliance, and Accountability

Subject to the Louisiana Licensing Agency Budget Act established by Louisiana Revised Statutes 39:1331-1342, the Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Board retains its unexpended net position to fund expenditures of the succeeding year.

(3) Cash and Cash Equivalents

The Board's cash includes demand deposits with a fiscal agent bank. Investments include nonnegotiable certificates of deposit. At June 30, 2020, the Board's cash and cash equivalents (book balances) consist of the following:

Demand deposits	$ 1,146,888
Non-negotiable certificates of deposit	2,469,486
	$ 3,616,374

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be returned to it. Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2020, $1,574,535 of the Board's bank balance of $3,651,696 was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Board's name.

(4) Property and Equipment

A summary of changes in property and equipment and related depreciation for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Furniture and equipment	$ 243,731	3,207	(16,097)	230,841
Less accumulated depreciation	159,074	21,634	17,807	(162,901)
Total furniture and equipment	84,657	(18,427)	1,710	67,940
Software	19,410	-	-	19,410
Less accumulated amortization	(19,410)	-	-	(19,410)
Total software	-	-	-	-
Total property and equipment, net	$ 84,657	(18,427)	1,710	67,940

(5) Operating Lease

The total payments for an operating lease for office space during the fiscal year amounted to $102,906. The terms of the lease require payments of $8,575 for 60 months ending on April 1, 2024. The future minimum lease payments required under the lease are as follows:

Years Ending	Amount
2021	$ 102,906
2022	102,906
2023	102,906
2024	85,755
	$ 394,473

(6) Defined Benefit Pension Plans

Louisiana State Employees Retirement System

Plan Description

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

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

Retirement Benefits

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

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

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

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.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

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

Deferred Benefits

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

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

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

Disability Benefits

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

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

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or is permanently or legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and 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.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation, and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation and cease upon remarriage, or children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

Employer contributions to LASERS for fiscal year 2020 were $307,214, with active member contributions ranging from 7.5% to 8%. The Board's contractually required composite contribution rate 40.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

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

At June 30, 2020, the Board reported a liability of $2,797,261 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Board's proportion of the Net Pension Liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Board's proportion was 0.03861%.

For the year ended June 30, 2020, the Board recognized pension expense of $360,657 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $68,089.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,176	(5,813)
Changes in assumptions	23,970	-
Net difference between projected and actual earnings on pension plan investments	96,642	-
Changes in proportion and differences between employer contributions and actual contributions	68,965	(5,145)
Employer contributions subsequent to measurement date	307,214	-
	$ 513,967	(10,958)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:		
June 30, 2021	$	161,108
June 30, 2022	$	(28,125)
June 30, 2023	$	26,588
June 30, 2024	$	36,225

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.60% per anum, net of investment expenses
Inflation Rate	2.50% per anum
Mortality	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members at June 30, 2019 are:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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

** The investment rate of return used in the actuarial valuation for funding purposes was 8.00%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.60%, which is the same as the discount rate.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return*
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.46%
Alternative Investments	8.32%
Risk Parity	5.06%
	6.09%

* The information above can be found in the current Employer Pension Audit Report located at https://lasersonline.org/employers/gasb-68-resources/. The data provided is sample data only.

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit

payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.60%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.60%) or one percentage-point higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Employer's proportionate share of the net pension liability	$ 3,530,516	2,797,261	2,177,920

The information above can be found in the current GASB 68 Schedules of Employer located at https://lasersonline.org/employers/gasb-68-resources/.

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2019 were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of $4,824 for the year ended June 30, 2020. Pension benefit and remaining deferred outflow for the year ended June 30, 2020 was $6,539 and $11,363, respectively.

Differences between projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred outflow of resources in the amount of $215,269, for the year ended June 30, 2020. Pension expense and remaining net deferred outflow for the year ended June 30, 2020 was $118,627 and $96,642, respectively.

Changes in Assumptions or Other Inputs

Changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes in assumptions or other inputs resulted in a deferred outflow of resources of $53,308 for the year ended June 30, 2020. Pension expense and remaining deferred outflow for the year ended June 30, 2020 was $29,338 and $23,970, respectively.

Change in Proportion

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions - Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2020, the Board had no employee and employer contributions that was due to the pension plan.

Teacher's Retirement System of Louisiana

Plan Description

Certain employees of the Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Most members are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2011, or the highest 60 consecutive months of employment for members employed after that date.

Survivor Benefits

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, 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.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 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 Retirement Benefits

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

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2020 are as follows:

2020 TRSL Sub Plan	Employer Contributions
K-12 Regular Plan, Lunch Plans A & B	26.0%
Higher Ed Regular Plan	25.3%

ORP	Employer UAL
2020	22.2%

The Board's contractually required composite contribution rate for the year ended June 30, 2020 was 26% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $25,163 for the year ended June 30, 2020. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue, totaled $496 for fiscal year 2020, and were recognized as revenue by the Board.

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

At June 30, 2020, the Board reported a liability of $120,584 for its proportionate share of the TRSL Net Pension Liability (NPL). The NPL for TRSL was measured as of June 30, 2019, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The Board's proportion of the NPL was based on projections of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2019, the most recent measurement date, the Board's proportion was 0.00122%.

For the year ended June 30, 2020, the Board recognized a total pension expense of $38,148. The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	-	(3,768)
Changes in assumptions		66,177	-
Net difference between projected and actual earnings on pension plan investments		-	(4,463)
Changes in proportion		-	(193)

Changes in proportion and differences between employer contributions and actual contributions	95	(1,764)
Employer contributions subsequent to measurement date	25,163	-
	$ 91,435	(10,188)

Deferred outflows of resources related to pensions resulting from the Board's contributions subsequent to the measurement date will be recognized as a reduction of the TRSL NPL in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses follows:

Year ended:		
June 30, 2021	$	26,186
June 30, 2022	$	23,738
June 30, 2023	$	2,908
June 30, 2024	$	3,252

Actuarial Assumptions

The total pension liability for TRSL in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.55% per anum, net of investment expenses *
Inflation Rate	2.50% per anum
Mortality	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.

	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
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2012-2017) experience study of the System's members.
Salary Increases	Salary increases were projected between 3.3%-4.8% varies depending on duration of service.
Cost of Living Adjustments	None

******The investment rate of return used in the actuarial valuation for funding purposes was 7.95%, recognizing an additional 40 basis points for the experience account and 10 basis points to offset administrative expenses. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.48% for 2019. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	27.0%	4.60%
International equity	19.0%	5.70%
Domestic fixed income	13.0%	1.69%
International fixed income	5.5%	2.10%
Private assets	25.5%	8.67%
Other private assets	10.0%	3.65%

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually-required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.55%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.55%) or one percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Employer's proportionate share of the net pension liability	$ 160,515	120,584	86,933

Pension Plan Fiduciary Net Position

Detailed information about TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan
At June 30, 2020, the Board had $3,439 in payables to TRSL for the June 2020 employee and employer legally required contributions.

(7) Post Retirement Health Care and Life Insurance Benefits

Plan Description: The Board's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2020. 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.

Medical Benefits: Retirees under age 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO

Retirees 65 and over can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO
- People's Medicare Advantage HMO
- Vantage Medicare Advantage HMO (Premium/Standard/Basic)
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

Monthly Contributions: Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement. Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

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

Monthly rates effective January 1, 2020 are as follows:

		Pre-Medicare Member			Medicare Member		
Medical Plan	Active Single	Member Only	Pre-65 Spouse	Medicare Spouse	Member Only	Pre-65 Spouse	Medicare Spouse
Vantage Med Home HMO	$ 705	1,315	1,007	275	435	1,155	345
People's MA HMO	$ N/A	N/A	N/A	200	200	N/A	200
Vantage MA HMO Premium	$ N/A	N/A	N/A	187	187	N/A	187
BCBS Pelican HRA	$ 443	825	632	166	268	723	214
BCBS Magnolia Local Plus	$ 709	1,324	1,014	277	438	1,163	347
BCBS Magnolia OA	$ 738	1,372	1,051	276	446	1,202	356

For purposes of the OPEB valuation, the above amounts were trended back six months to the valuation date.

Life Insurance Benefits: OGB provides eligible retirees the following life insurance plans:

		Basic	Supplemental Maximum
Under age 65	$	5,000	50,000
Ages 65 to 70		4,000	38,000
After age 70		3,000	25,000

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of $1,000, $2,000, or $4,000 are available. Retiree pays 50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability:

At June 30, 2020, the Board reported a liability of $1,432,202 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2019, and was determined by an actuarial valuation as of that date.

The Board's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2019, the Board's proportion was 0.0184%.

Actuarial Assumptions:

Valuation Date: July 1, 2019.

Actuarial Cost Method: Entry Age Normal, level percent of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

Salary Increases: Consistent with pension valuation assumptions.

Discount Rate: The discount rate used as of July 1, 2019 is 2.79% based on the June 30, 2019 S&P 20-year municipal bond index rate.

Consumer Price Index: 2.80%

Life Insurance Coverage: Future retirees are assumed to participate in the life insurance benefit at a 52% rate. Future retirees are assumed to elect a total of $45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect $2,000 of coverage.. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Mortality:

LASERS

For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, and then projected on a fully generational basis by Mortality Improvement Scale MP-2018.

For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

TRSL

For active lives: the RP-2014 White Collar Employee Table, adjusted by 1.010 for males and by 0.997 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: the RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.366 for males and by 1.189 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives, the RP-2014 Disabled Retiree Mortality Table, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

Healthcare Cost Trend Rates: The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using a National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). Plans that most closely match The State of Louisiana's benefits were selected to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates are shown below:

Year	Medical and Drug Pre-65	Medical and Drug Post-65
2019-2020	7.00%	5.50%
2020-2021	6.75%	5.25%
2021-2022	6.50%	5.00%
2022-2023	6.25%	4.75%
2023-2024	6.00%	4.50%

2024-2025	5.75%	4.50%
2025-2026	5.50%	4.50%
2026-2027	5.25%	4.50%
2027-2028	5.00%	4.50%
2028-2029	4.75%	4.50%
2029 +	4.50%	4.50%

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate has decreased from 2.98% to 2.79%.
- Baseline per capita costs (PCCs) were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan's liability.
- Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates, which reduced the Plan's liability.
- The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. This reduced the Plan's liability.
- The actuary relied upon the demographic assumptions used in the June 30, 2019 actuarial valuations for the four Statewide Retirement Systems. One of these systems, the Louisiana State Employee Retirement System (LASERS) has performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation, based on this study. The actuary has updated the demographic assumptions to reflect the updated assumptions. This reduced the Plan's liability. The Louisiana State Police Retirement System (LSPRS), the Louisiana School Employees' Retirement System (LSERS), and the Teachers' Retirement System of Louisiana (TRSL) demographic assumptions have not changed since the prior year.

Required Supplementary Information

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate one percentage lower and one percentage higher than the current discount rate.

	1% Decrease (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
Total OPEB liability	$ 1,665,938	1,432,202	1,231,277

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates one percentage lower and one percentage higher than the current healthcare cost trend rates.

	1% Decrease (5.75%)	Current Healthcare Cost Trend Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	$ 1,226,443	1,432,202	1,675,772

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

For the year ended June 30, 2020, the Board recognized OPEB benefit of $24,056. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB form the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 3,915	(229,422)
Changes in proportionate share of collective OPEB expense and amortization of employer-specific deferred inflows / outflows	2,725	(80,035)
Difference between expected and actual experience	17,210	(4,898)
Contributions made subsequent to measurement date	57,296	-
	$ 81,146	(314,355)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
June 30, 2020	$ (112,150)
June 30, 2021	$ (97,366)
June 30, 2022	$ (61,424)
June 30, 2023	$ (19,564)

(8) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	$ 75,978	16,330	-	92,308	-
Other post-employment benefits plan	1,568,518		(145,316)	1,423,202	57,296
Net pension liability	2,677,124	240,721	-	2,917,845	-
Total	$ 4,321,620	257,051	(145,316)	4,433,355	57,296

(9) Related Party Transactions

There were no related party transactions during the year.

(10) Contingent Liabilities

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation.

There is no pending litigation or claims against the Board at June 30, 2020, which if asserted, in the opinion of the Board's management, would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

(11) Evaluation of Subsequent Events

Subsequent events were evaluated through September 4, 2020, which is the date the financials statements were available to be issued.

Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020
Lousiana State Employees' Retirement System (LASERS)						
Employer's proportion of net pension liability	0.03730%	0.03622%	0.03590%	0.03620%	0.03764%	0.03861%
Employer's proportionate share of net pension liability	2,332,203	2,463,506	2,819,065	2,550,942	2,566,952	2,797,261
Employer's covered-employee payroll	695,042	684,226	722,089	677,134	675,688	756,868
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	336%	360%	390%	377%	380%	370%
Plan fiduciary net position as a percentage of the total pension liability	65%	63%	58%	63%	64%	63%
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Teachers' Retirement System of Louisiana (TRSL)						
Employer's proportion of net pension liability	None	None	None	0.00112%	0.00112%	0.00122%
Employer's proportionate share of net pension liability	None	None	None	115,231	110,172	120,584
Employer's covered-employee payroll	None	None	None	48,501	55,846	56,041
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll				238%	197%	215%
Plan fiduciary net position as a percentage of the total pension liability				66%	68%	69%
Measurement date				6/30/2017	6/30/2018	6/30/2019

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

This schedule reflects the participation of the Board's employees in LASERS and TRSL and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability

See accompanying notes to required supplementary information.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Schedule of Employer's Contributions

Last Ten Fiscal Years*

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Lousiana State Employees' Retirement System (LASERS)					
2015	262,563	262,563	-	684,226	38.9%
2016	268,617	268,617	-	722,089	37.2%
2017	242,414	242,414	-	677,134	35.8%
2018	265,086	265,086	-	675,688	37.9%
2019	286,628	286,628	-	756,868	37.9%
2020	307,214	307,214	-	754,827	40.7%
Teachers' Retirement System of Louisiana (TRSL)					
2017	12,901	12,901		48,501	26.6%
2018	13,315	13,315	-	55,846	23.8%
2019	14,907	14,907	-	56,041	26.6%
2020	25,163	25,163	-	96,664	26.0%

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

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

Notes to Required Supplementary Information - Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

Last Ten Fiscal Years *

Changes in Benefit Terms:

Measurement Date: June 30, 2014:

1. **A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative System.**

2. **Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.**

Measurement Date: June 30, 2016:

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

2. **Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

Measurement Date: June 30, 2019:

1. **Act 595 of 2018 provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary and Secondary, Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence.**

Changes in Assumptions:

Measurement Date: June 30, 2017:

1. **The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019.**

2. **The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

3. **The projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.**

Notes to Required Supplementary Information - Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

Last Ten Fiscal Years *

Measurement Date: June 30, 2018:

1. **In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.70% to 7.65%.**

Measurement Date: June 30, 2019:

1. **In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.65% to 7.60.**

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability

Last Ten Fiscal Years*

	2018	2019	2020
Employer's proportion of total collective OPEB liability	0.0197%	0.0184%	0.0184%
Employer's proportionate share of total collective OBEB liability	1,713,606	1,586,518	1,432,202
Employer's covered-employee payroll	675,688	723,834	776,105
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	254%	219%	185%
Measurement date	July 1, 2017	July 1, 2018	July 1, 2019

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

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

ANNUAL FISCAL REPORT (AFR)
FOR 2020

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners
PREPARED BY: Randy Martinez
PHONE NUMBER: 985-327-7311
EMAIL ADDRESS: randy@pinmarcpa.com
SUBMITTAL DATE: 09/03/2020 01:44 PM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	1,146,888.00
INVESTMENTS:	
OTHER INVESTMENTS	2,469,486.00
RESTRICTED INVESTMENTS - CURRENT	0.00
RECEIVABLES (NET):	
RECEIVABLES - EMPLOYER CONTRIBUTION	
RECEIVABLES - EMPLOYER CONTRIBUTION (GROSS)	0.00
RECEIVABLES - EMPLOYER CONTRIBUTION (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
RECEIVABLES - TUITION AND FEES	
RECEIVABLES - TUITION AND FEES (GROSS)	0.00
RECEIVABLES - TUITION AND FEES (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
RECEIVABLES - OTHER	
RECEIVABLES - OTHER (GROSS)	11,784.00
RECEIVABLES - OTHER (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
PLEDGES RECEIVABLE (NET) - CURRENT	0.00
LEASES RECEIVABLE - CURRENT	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE FROM OTHER FUNDS	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	11,122.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	**$3,639,280.00**
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
RESTRICTED CASH - NONCURRENT	0.00
RESTRICTED INVESTMENTS - NONCURRENT	0.00
RESTRICTED RECEIVABLES	0.00
RESTRICTED NOTES RECEIVABLE	0.00
OTHER RESTRICTED ASSETS	0.00
INVESTMENTS - NONCURRENT	0.00
RECEIVABLES (NET) - NONCURRENT:	
NON-CURRENT RECEIVABLES - EMPLOYER CONTRIBUTIONS	0.00
NON-CURRENT RECEIVABLES - TUITION AND FEES	0.00
NON-CURRENT RECEIVABLES - OTHER	0.00
NOTES RECEIVABLE - NONCURRENT	0.00
PLEDGES RECEIVABLE - NONCURRENT	0.00
LEASES RECEIVABLE - NONCURRENT	0.00
CAPITAL ASSETS:	
LAND	0.00
BUILDING & IMPROVEMENTS	
BUILDINGS AND IMPROVEMENTS (GROSS)	0.00
BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION)	0.00
MACHINERY & EQUIPMENT	
MACHINERY AND EQUIPMENT (GROSS)	230,841.00
MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(162,901.00)
INFRASTRUCTURE	

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INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
INTANGIBLE ASSETS	
INTANGIBLE ASSETS (GROSS)	19,410.00
INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	(19,410.00)
CONSTRUCTION IN PROGRESS	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$67,940.00**
TOTAL ASSETS	**$3,707,220.00**
DEFERRED OUTFLOWS OF RESOURCES	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	81,146.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	605,402.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$686,548.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	58,235.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	27,646.00
PROFESSIONAL SERVICES	0.00
SUPPLIES	0.00
GRANTS & PUBLIC ASSISTANCE	0.00
OTHER CHARGES	0.00
CAPITAL OUTLAY	0.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE TO OTHER FUNDS	0.00
DUE TO FEDERAL GOVERNMENT	0.00
UNEARNED REVENUES	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
OTHER CURRENT LIABILITIES	0.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	57,296.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$143,177.00**

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NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	92,308.00
CAPITAL LEASE OBLIGATIONS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	1,365,906.00
NET PENSION LIABILITY	2,917,845.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL LONG-TERM LIABILITIES	**$4,376,059.00**
TOTAL LIABILITIES	**$4,519,236.00**

DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	314,355.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	21,146.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$335,501.00**

NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	67,940.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
UNEMPLOYMENT COMPENSATION	0.00
ENDOWMENTS - EXPENDABLE	0.00
ENDOWMENTS - NONEXPENDABLE	0.00
DEBT SERVICE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	**$(528,909.00)**
TOTAL NET POSITION	**$(460,969.00)**

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OPERATING REVENUES:	
SALES OF COMMODITIES & SERVICES	5,501.00
ASSESSMENTS	216,470.00
USE OF MONEY & PROPERTY	0.00
LICENSES, PERMITS & FEES	2,047,395.00
FEDERAL GRANTS & CONTRACTS	0.00
OTHER	40.00
TOTAL OPERATING REVENUES	**$2,269,406.00**
OPERATING EXPENSES:	
COST OF SALES & SERVICES	0.00
ADMINISTRATIVE	1,913,590.00
DEPRECIATION	21,634.00
AMORTIZATION	0.00
UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund)	0.00
TOTAL OPERATING EXPENSES	**$1,935,224.00**
OPERATING INCOME (LOSS)	**$334,182.00**
NONOPERATING REVENUES(EXPENSES)	
NON-OPERATING INTERGOVERNMENTAL REVENUES	0.00
NON-OPERATING INTERGOVERNMENTAL EXPENSES	0.00
GAIN ON SALE OF CAPITAL ASSETS	1,710.00
LOSS ON SALE OF CAPITAL ASSETS	0.00
FEDERAL GRANTS	0.00
INTEREST EXPENSE	0.00
OTHER NON-OPERATING REVENUES	35,438.00
OTHER NON-OPERATING EXPENSES	0.00
TOTAL NONOPERATING REVENUES (EXPENSES)	**$37,148.00**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**$371,330.00**
CAPITAL CONTRIBUTIONS	0.00
TRANSFERS IN	0.00
TRANSFERS OUT	0.00
CHANGE IN NET POSITION	**$371,330.00**
NET POSITION - BEGINNING	**$(832,299.00)**
NET POSITION - RESTATEMENT	0.00

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NET POSITION - ENDING	**$(460,969.00)**

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	
RECEIPTS FROM CUSTOMERS	2,278,590.00
RECEIPTS FROM INTERFUND SERVICES PROVIDED	0.00
RECEIPTS FROM INTERFUND REIMBURSEMENTS	0.00
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	0.00
OTHER OPERATING RECEIPTS	0.00
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(453,750.00)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00
PAYMENTS TO EMPLOYEES FOR SERVICES	(1,404,340.00)
PAYMENTS FOR INTERFUND SERVICES USED	0.00
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	0.00
OTHER OPERATING PAYMENTS	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$420,500.00**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	0.00
RECEIPTS FROM OPERATING GRANTS	0.00
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	0.00
RECEIPTS FROM OTHER FUNDS	0.00
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR GRANTS AND SUBSIDIES	0.00
PAYMENTS TO OTHER FUNDS	0.00
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**$0.00**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT	0.00
RECEIPTS FROM CAPITAL GRANTS	0.00
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	1,710.00
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	(4,917.00)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON CAPITAL DEBT	0.00
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**$(3,207.00)**
CASH FLOWS FROM INVESTING ACTIVITIES:	
PURCHASES OF INVESTMENTS	(31,450.00)
PROCEEDS FROM THE SALE OF INVESTMENTS	5,000.00
INTEREST AND DIVIDENDS	33,296.00
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$6,846.00**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**$424,139.00**

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CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	722,749.00
RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	0.00
CASH & CASH EQUIVALENTS AT END OF YEAR	**$1,146,888.00**

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

OPERATING INCOME (LOSS)	**$334,182.00**
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
DEPRECIATION/AMORTIZATION	21,634.00
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	0.00
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	0.00
OTHER	0.00
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	0.00
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	0.00
(INCREASE)/DECREASE IN PREPAYMENTS	(6,712.00)
(INCREASE)/DECREASE IN INVENTORIES	0.00
(INCREASE)/DECREASE IN OTHER ASSETS	0.00
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	(24,151.00)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	(81,824.00)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	2,398.00
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	16,330.00
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	0.00
INCREASE/(DECREASE) IN UNEARNED REVENUES	0.00
INCREASE/(DECREASE) IN OPEB LIABILITY	(145,316.00)
INCREASE/(DECREASE) IN NET PENSION LIABILITY	240,721.00
INCREASE/(DECREASE) IN OTHER LIABILITIES	0.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	88,115.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	(24,877.00)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$420,500.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2020

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners
PREPARED BY: Randy Martinez
PHONE NUMBER: 985-327-7311
EMAIL ADDRESS: randy@pinmarcpa.com
SUBMITTAL DATE: 09/03/2020 01:44 PM

STATEMENT OF CASH FLOWS
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Description	Amount
BORROWING UNDER CAPITAL LEASE(S)	0.00
GAIN ON DISPOSAL OF CAPITAL ASSETS	1,710.00
LOSS ON DISPOSAL OF CAPITAL ASSETS	0.00
CONTRIBUTIONS OF CAPITAL ASSETS	0.00
OTHER (specify below):	
	0.00

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DEPOSITS WITH FINANCIAL INSTITUTIONS (BANK BALANCES)

	Total Deposits (Bank Balance)	Uninsured and Uncollateralized (Bank Balance)	Uninsured and Collateralized with Securities Held by the Pledging Institution (Bank Balance)	Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Dept.or Agent but not in the Agency's Name (Bank Balance)
Cash	1,146,888.00	0.00	0.00	896,888.00
Non-Negotiable Certificates of Deposits	2,469,486.00	0.00	0.00	677,647.00
Money Market Demand Accounts*	0.00	0.00	0.00	0.00
Total	**$3,616,374.00**	**$0.00**	**$0.00**	**$1,574,535.00**

Do NOT include any cash or CD's on deposit with the State Treasurer

***DOES NOT Include Money Market Mutual Funds**

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INVESTMENTS

Type of Investment	Value	Fair Market Value Hierarchy	Valuation Techniques	Custodial Credit Risk	Credit Risk	Interest Rate Risk
Totals	**$0.00**					

Investments should be listed according to their investment type, FMV hierarchy if applicable, and risk disclosures as applicable

Note: Investment types may be used multiple times depending on their FMV hierarchy and applicable risk disclosures.

See the cash & investment note section of the instructions for details on completing this note.

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CHANGES IN VALUATION TECHNIQUES

Type of Investment	Current Year Valuation Technique	Prior Year Valuation Technique	Reason For Change

GASB Statement No. 72 requires governments to use valuation techniques in assessing the fair value of investments. Per the standard, these valuation techniques should be applied consistently across accounting periods. However, when a government determines that another measurement is more representative of fair value, a change of valuation technique is permitted and disclosure is required.

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DUES AND TRANSFERS

Account Type Amounts due from Other Funds	Intercompany (Fund)	Amount
	Total	$0.00

Account Type Amounts due to Other Funds	Intercompany (Fund)	Amount
	Total	$0.00

Account Type Transfers In	Intercompany (Fund)	Amount
	Total	$0.00

Account Type Transfers Out	Intercompany (Fund)	Amount
	Total	$0.00

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ASSET RETIREMENT OBLIGATION (ARO)

Describe the ARO and associated tangible capital assets, as well as the source of obligations:

What are the methods and assumptions used to measure the liabilities?

What are the estimated remaining useful life of the tangible capital assets?

How are any legally required funding and assurance provisions associated with AROs being met?

List the amount of asset restricted for payments of the liabilities: 0.00

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SCHEDULE OF CAPITAL ASSETS (INCLUDES CAPITAL LEASES)

	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not depreciated:						
Land	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Construction in progress	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total capital assets not depreciated	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Other capital assets:						
Buildings	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated depreciation	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total Buildings	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Machinery & Equipment	243,731.00	0.00	**$243,731.00**	3,207.00	(16,097.00)	**$230,841.00**
Accumulated depreciation	(159,074.00)	0.00	**$(159,074.00)**	(21,634.00)	17,807.00	**$(162,901.00)**
Total Machinery & Equipment	**$84,657.00**	**$0.00**	**$84,657.00**	**$(18,427.00)**	**$1,710.00**	**$67,940.00**
Infrastructure	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated depreciation	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total Infrastructure	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Intangibles	19,410.00	0.00	**$19,410.00**	0.00	0.00	**$19,410.00**
Accumulated Amortization	(19,410.00)	0.00	**$(19,410.00)**	0.00	0.00	**$(19,410.00)**
Total Intangibles	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Total other capital assets	**$84,657.00**	**$0.00**	**$84,657.00**	**$(18,427.00)**	**$1,710.00**	**$67,940.00**

Depreciation Total: **$(21,634.00)**

GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

Stephen M. Griffin, CPA
Robert J. Furman, CPA

Jessica S. Benjamin, Director

Members
American Institute of
Certified Public Accountants
Society of LA CPA's

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Louisiana State Board of Practical Nurse Examiners
Department of Health
State of Louisiana
Metairie, Louisiana

We have audited, 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, the financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners (the Board), as of and for the year then ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated September 4, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for their purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

September 4, 2020

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Schedule of Findings and Management's Corrective Action

June 30, 2020

Summary of Audit Results:

1. **Type of Report Issued – Unqualified**

2. **Internal Control Over Financial Reporting**
   a. **Significant Deficiencies - No**
   b. **Material Weaknesses - No**

3. **Compliance and Other Matters - No**

4. **Management Letter - No**

Status of Prior Year Findings

June 30, 2020

Not appliclable.