

LOUISIANA STATE BOARD OF PRACTICAL
NURSE EXAMINERS
DEPARTMENT OF HEALTH

A COMPONENT UNIT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT FOR
THE YEAR ENDED JUNE 30, 2018
ISSUED August 29, 2018

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
YEAR ENDED JUNE 30, 2018**

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**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
YEAR ENDED JUNE 30, 2018**

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GARRETY & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

**LOUISIANA STATE BOARD OF
PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**
Metairie, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners (Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2018, 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.

Auditor's Responsibility

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

GARRETY & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Board as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 8, the Schedule of the Board's Proportionate Share of the Net Pension Liability, the Schedule of Board Contributions, and the Schedule of Proportionate Share of the Total Collective OPEB Liability on pages 40 through 42, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of that collectively comprise the Board's basic financial statements. The schedule of compensation paid to board members, and the annual fiscal report, as required by the State of Louisiana Division of Administration, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to board members, and the annual fiscal report are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of compensation paid to board members, and the annual fiscal report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2018, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Board's internal control over financial reporting and compliance.



August 23, 2018

MANAGEMENT’S DISCUSSION AND ANALYSIS

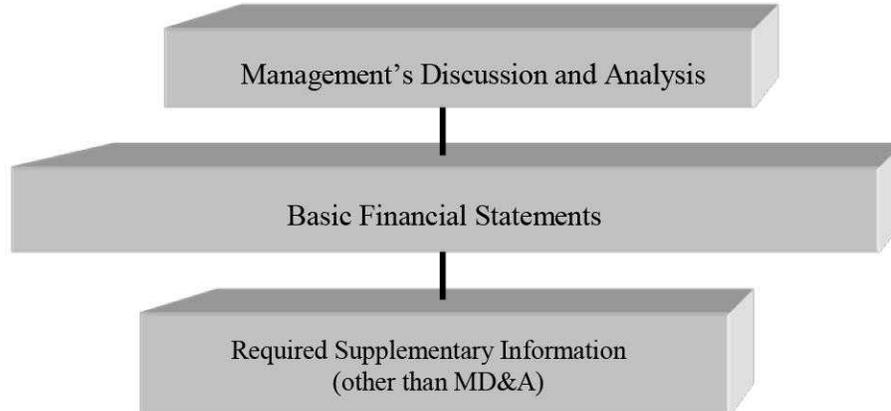
Management’s Discussion and Analysis of the Louisiana State Board of Practical Nurse Examiners’ (Board) financial performance presents a narrative overview and analysis of the Board’s financial activities for the year ended June 30, 2018. This document focuses on the current-year’s activities, resulting 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 2018 by \$1,340,223.
- The Board’s operating revenue increased by \$17,866, or 1.85%, and the net results from operating activities decreased by \$37,435, or 22.66%.

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.

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

The condensed statements of net position consist of the following at June 30:

**Comparative Statement of Net
Position as of June 30, 2018 and
June 30, 2017**

	2018	2017	Variance	Variance %
Assets:				
Current assets	\$3,070,514	\$2,880,154	\$190,360	6.61%
Capital assets	107,866	102,511	5,355	5.22%
Total Assets	<u>3,178,380</u>	<u>2,982,665</u>	195,715	6.56%
Deferred outflows of resources	556,841	640,225	(83,384)	(13.02%)
Total Assets and Deferred Outflows of Resources	<u>\$3,735,221</u>	<u>\$3,622,890</u>	<u>\$112,331</u>	3.10%
Liabilities:				
Current liabilities	\$73,022	\$62,225	\$ 10,777	17.32%
Noncurrent liabilities	4,445,601	4,673,047	(227,446)	(4.87%)
Total Liabilities	<u>4,518,603</u>	<u>4,735,272</u>	(216,669)	(4.58%)
Deferred inflows of resources	176,307	66,693	109,614	164.36%
Total Liabilities and Deferred Inflows of Resources	<u>4,694,910</u>	<u>4,801,965</u>	<u>(107,055)</u>	(2.30%)
Net position:				
Investment in capital assets	107,866	102,511	5,355	5.22%
Unrestricted	(1,067,555)	(1,281,586)	214,031	16.70%
Total Net Position	<u>(959,689)</u>	<u>(1,179,075)</u>	<u>219,386</u>	18.61%

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 \$190,360, or 6.61%, from June 30, 2017 to June 30, 2018. The primary reason for the change is an increase in cash and cash equivalents and certificates of deposit. Capital assets increased for acquisitions during the year ended June 30, 2018.

The condensed statements of revenues, expenses, and changes in net position consist of the following for the years ended June 30:

**Comparative Statement of Changes in Revenues, Expenses, and Net Position for
the Fiscal Years Ended June 30, 2018 and June 30, 2017**

	2018	2017	Variance	Variance %
Operating revenues	\$ 2,050,404	\$ 2,032,538	\$ 17,866	1.85%
Operating expenses	1,847,736	1,867,305	(19,569)	(1.05%)
Operating income	<u>202,668</u>	<u>165,233</u>	<u>37,435</u>	22.66%
Nonoperating revenues	<u>16,718</u>	<u>19,127</u>	<u>(2,409)</u>	(12.59%)
Increase in Net Position	<u>219,386</u>	<u>184,360</u>	<u>35,026</u>	19.00%
Net position, beginning of year	(1,179,075)	(252,926)	(926,149)	(366.17%)
Prior period adjustment	<u>-</u>	<u>(1,110,509)</u>	<u>1,110,509</u>	100.00%
Net position, end of year	<u>\$ (959,689)</u>	<u>\$ (1,179,075)</u>	<u>\$ 219,386</u>	18.61%

Net position of the Board increased by \$219,386, or 18.61%, from June 30, 2017 to June 30, 2018. The primary reasons is due to an increase in license renewals, and a decrease in operating expenses and the changes in OPEB liability with the implementation of GASB No. 75 during the year ended June 30, 2018.

CAPITAL ASSETS

For the year ended June 30, 2018, the Board had \$107,866 invested in a broad range of capital assets, including furniture, fixtures, computer equipment, and computer software. This amount represents a net increase (including additions and deductions) of \$5,355, or 5.22%, from last fiscal year.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were \$11,996 over budget, and expenditures were under budget by \$153,413.

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.
- The Board has increased the admission scores required to be admitted into a program. The Board anticipates a decline in admissions, at least temporarily, due to these changes. This factor may decrease revenues.

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
JUNE 30, 2018**

ASSETS

Current Assets

Cash and cash equivalents	\$	630,860
Investments		2,426,797
Prepays		5,189
Interest receivable		7,668
		3,070,514
Total current assets		3,070,514

Non-current assets

Property and equipment, net		107,866
		107,866
Total assets		3,178,380

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		513,407
Deferred outflows related to OPEB		43,434
		43,434
Total deferred outflows of resources		556,841

LIABILITIES

Current liabilities

Accounts payable		28,172
Accrued payroll expenses		44,830
		44,830
Total current liabilities		73,002

Noncurrent liabilities

Compensated absences		65,893
Other postemployment benefits obligation		1,713,606
Net pension liability		2,666,102
		2,666,102
Total noncurrent liabilities		4,445,601

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions		71,459
Deferred inflows related to OPEB		104,848
		104,848
Total deferred inflows of resources		176,307

NET POSITION

Net investment in capital assets		107,866
Unrestricted		(1,067,555)
		(1,067,555)
Total Net Position	\$	(959,689)

See accompanying notes and independent auditors' report.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OPERATING REVENUES

Licenses	\$ 1,804,483
Enforcement actions	233,605
Sales of commodities and services	11,956
Other	<u>360</u>
Total operating revenues	2,050,404

OPERATING EXPENSES

Commissioners per diem	27,225
Salaries	922,993
Employee benefits	387,711
Operating services	227,910
Supplies	12,172
Professional services	223,737
Travel	35,921
Depreciation	<u>10,067</u>
Total operating expenses	<u>1,847,736</u>

Operating income	202,668
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NONOPERATING REVENUES

Interest income	<u>16,718</u>
Total nonoperating revenues	<u>16,718</u>

CHANGE IN NET POSITION	219,386
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NET POSITION - BEGINNING OF YEAR, as restated	<u>(1,179,075)</u>
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NET POSITION - END OF YEAR	<u><u>\$ (959,689)</u></u>
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See accompanying notes and independent auditors' report.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	\$ 2,050,404
Cash received from licenses	(495,055)
Cash payments to suppliers for goods and services	<u>(1,371,474)</u>
Cash payments to personnel for services	183,875
Net cash provided by/(used in) operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	<u>(15,422)</u>
Purchase of property and equipment	(15,422)
Net cash provided by/(used in) investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES	5,000
Proceeds from certificates of deposit	(412,584)
Purchases of certificates of deposit	<u>13,947</u>
Interest on investments	<u>(393,637)</u>
Net cash provided by/(used in) financing activities	(225,184)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>856,044</u>
CASH AND CASH EQUIVALENTS - Beginning of year	<u>\$ 630,860</u>
CASH AND CASH EQUIVALENTS - End of year	
Reconciliation of Operating Income to Net Cash Flows from Operating Activities	
	\$ 202,668
Operating income	
Adjustments to reconcile operating income to net cash:	10,067
Depreciation	
Decrease/(increase) in:	83,384
Deferred outflows related to pensions and OPEB	(5,189)
Prepays	
Increase/(decrease) in:	9,874
Accounts payable	903
Payroll liabilities	876
Accrued compensated absences	(75,359)
Other postemployment benefits obligation	109,614
Deferred inflows related to pensions	<u>(152,963)</u>
Pension obligation	<u>\$ 183,875</u>
Net cash provided by operating activities	

See accompanying independent auditor's report and notes to financial statements.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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.) 37:962. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Police Jury conforms to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*.

The following is a summary of certain significant accounting policies:

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.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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.

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.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Postemployment Benefits Other Than Pensions

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 investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS

The Board’s cash includes demand deposits with a fiscal agent bank. Investments include nonnegotiable certificates of deposit. At June 30, 2018, the Board’s cash and cash equivalents (book balances) consist of the following:

Demand deposits	\$ 630,860
Non-negotiable Certificate of Deposits	<u>2,426,797</u>
	<u>\$3,057,657</u>

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, 2018, \$1,129,927 of the Board’s bank balance of \$3,091,762 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.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets and related depreciation for the fiscal year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
Furniture and equipment	\$189,282	\$2,258	(\$34,793)	\$156,747
Less accumulated depreciation	(168,711)	(10,067)	34,793	(143,985)
Total furniture and equipment	\$20,571	(\$7,809)	-	\$12,762
Software	\$19,410	NONE	NONE	\$19,410
Less accumulated amortization	(19,410)	NONE	NONE	(19,410)
Total software	NONE	NONE	NONE	NONE
Work-in-progress	81,940	13,164	-	95,104
Total capital assets, net	\$102,511	\$ 5,355	-	\$107,866

NOTE 4 – 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, 2019. The future minimum lease payments required under the lease for through April 1, 2019 is \$77,175. The Board has not secured a renewal of the lease for the current office space as of June 30, 2018.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the Board for the year ended June 30, 2018:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Compensated absences	\$ 65,017	\$ 17,176	(\$ 16,300)	\$ 65,893

Changes in long-term liabilities for Pensions and Other Postemployment Benefits Plan can be found in Notes 6 and 7.

NOTE 6 – DEFINED BENEFIT PENSION PLANS

Louisiana State Employees’ Retirement System

The Board is a participating employer in a statewide, public employee retirement system, the Louisiana State Employees’ Retirement System (LASERS). LASERS has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by LASERS to the state Legislature. LASERS issues a public report that includes financial statements and required supplementary information, and a copy of the report may be obtained at www.lasersonline.org.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

General Description of the Plan

Plan Descriptions/Benefits Provided. LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer, and job classification. Act 992 of the 2010 Regular Legislative Session closed existing sub-plans for members hired before January 1, 2011, and created new sub-plans for regular members, hazardous duty members, and judges.

The substantial majority of members may retire with full benefits at any age upon completing 30 years of service and at age 60 upon completing 5-10 years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Eligibility for retirement benefits and the computation of retirement benefits are provided for in R.S. 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. 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, or highest 60 consecutive months of employment for members employed after that date. A member leaving service before attaining minimum retirement but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. All members with 10 or more years of service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

Provisions for survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service, at least two of which were earned immediately prior to death, or who has a minimum of 20 years of service 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 minimum service requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

LASERS has established a Deferred Retirement Option Plan (DROP). When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Cost of Living Adjustments. As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions. Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily-established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

Employer contributions to LASERS for fiscal year 2018 were \$286,628, with active member contributions ranging from 7.5% to 8%, and employer contributions of 37.9%.

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

At June 30, 2018, the Board reported a liability of \$2,550,872 for its proportionate share of the LASERS Net Pension Liability (NPL). The NPL for LASERS was measured as of June 30, 2017, 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, 2017, the most recent measurement date, the Board’s proportion and the change in proportion from the prior measurement date was 0.03624%, or an increase of 0.00034%.

For the year ended June 30, 2018, the Board recognized a total pension expense of \$216,415. 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	\$ -	\$ 46,805
Net difference between projected and actual earnings on pension plan investments	82,950	-
Employer contributions subsequent to the measurement date	286,627	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,815	7,311
Difference between proportionate share of employer contributions and actual contributions	<u>3,545</u>	<u>7,239</u>
Total	<u>\$ 398,937</u>	<u>\$ 61,355</u>

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

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 LASERS NPL in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$(9,759)
2020	\$ 78,873
2021	\$ 33,195
2022	\$(51,355)

Actuarial Assumptions. The total pension liability for LASERS in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service	3 years
Investment Rate of Return	7.70% per annum
Inflation Rate	2.75% per annum
Mortality - Non-disabled	RP-2000, improvement to 2015
Mortality - Disabled	RP-2000
Termination, Disability	2009-2013 experience study
Salary Increases	2009-2013 experience study, ranging from 2.8% to 14.3%
Cost of Living Adjustments	Not substantively automatic

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

The long-term expected rate of return 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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
LASERS (geometric)		
Cash	0.00%	-.24%
Domestic equity	27.00%	4.31%
International equity	30.00%	5.35%
Domestic fixed income	10.00%	1.73%
International fixed income	2.00%	2.49%
Alternative investments	24.00%	7.41%
Global asset allocation	7.00%	2.84%
Total	100.00%	5.26%

Discount Rate. The discount rate used to measure the total pension liability was 7.70%. 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.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the Board’s proportionate share of the NPL using the current discount rate as well as what the Board’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
LASERS	\$3,202,330	\$2,550,872	\$1,996,978

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

Payables to the Pension Plan. At June 30, 2018, the Board had \$0 in payables to LASERS for the June 2018 employee and employer legally required contributions.

Teachers Retirement System of Louisiana

TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who the legal definition of a “teacher” as provided for in R.S. 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011.

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.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The minimum service credit requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or a qualified handicapped child.

TRSL has established a DROP plan. When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During participation, benefit otherwise payable are fixed and deposited in an individual DROP account. Upon leaving, DROP members must choose among available alternative for the distribution of benefits that have accumulated in their DROP accounts.

Cost of Living Adjustments. As fully described in Title 11 of the Louisiana Revised Statutes, TRSL allows for the payment of cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

Contributions. Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily-established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrued liability.

Employer defined benefit plan contributions to TRSL for fiscal year 2018 were \$8,441, with active member contributions of 8% and employer contributions of 22.2% and 25.3% to 31.3% for ORP and defined benefit plan employees, respectively. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue, totaled \$436 for fiscal year 2018, and were recognized as revenue by the Board.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

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

At June 30, 2018, the Board reported a liability of \$115,231 for its proportionate share of the TRSL Net Pension Liability (NPL). The NPL for TRSL was measured as of June 30, 2017, 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, 2017, the most recent measurement date, the Board’s proportion was 0.00112%.

For the year ended June 30, 2018, the Board recognized a total pension expense of \$24,179. The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,789
Net difference between projected and actual earnings on pension plan investments	-	2,976
Employer contributions subsequent to the measurement date	13,315	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	101,155	-
Difference between proportionate share of employer contributions and actual contributions	<u>-</u>	<u>3,339</u>
Total	<u>\$ 114,470</u>	<u>\$ 10,104</u>

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$ 21,345
2020	\$ 25,285
2021	\$ 23,343
2022	\$ 21,079

Actuarial Assumptions. The total pension liability for TRSL in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service	5 years
Investment Rate of Return	7.70% per annum
Inflation Rate	2.50% per annum
Mortality - Non-disabled	RP-2000
Mortality - Disabled	RP-2000
Termination, Disability	2009-2013 experience study
Salary Increases	2009-2013 experience study, ranging from 3.5% to 10.0%
Cost of Living Adjustments	Not substantively automatic

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

The long-term expected rate of return 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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
LASERS (geometric)		
Cash	0.00%	0.00%
Domestic equity	27.00%	4.28%
International equity	19.00%	4.96%
Domestic fixed income	13.00%	1.98%
International fixed income	5.50%	2.75%
Private equity	25.50%	8.47%
Other private assets	10.00%	3.51%
 Total	 100.00%	 8.33%

Discount Rate. The discount rate used to measure the total pension liability was 7.70%. 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.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS, (continued)

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the Board’s proportionate share of the NPL using the current discount rate as well as what the Board’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL	\$148,478	\$115,231	\$86,949

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, 2018, the Board had \$1,374 in payables to TRSL for the June 2018 employee and employer legally required contributions.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description. The Board’s employees may participate in the state of Louisiana’s Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical, prescription drug, and life insurance benefits to eligible active employees, retirees, and their beneficiaries.

The state administers the OPEB Plan through the Office of Group Benefits (OGB). R.S. 42:801-883 assigns the authority to establish and amend benefit provisions of the OPEB Plan. OGB offers several standard healthcare plans for both active and retired employees. OGB does not issue a publicly-available financial report of the OPEB Plan; however, it is included in the state of Louisiana’s Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from the Office of Statewide Reporting and Accounting Policy’s website at www.doa.la.gov/osrap.

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NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN, (continued)

Funding Policy. The contribution requirements of OPEB Plan members and the Board are established and may be amended by R.S. 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and Board contributions. Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the OPEB Plan and if the member has Medicare coverage. 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, 2018.

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

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

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums. Participating retirees paid \$0.54 each month for each \$1,000 of life insurance and \$0.98 each month for each \$1,000 of spouse life insurance.

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NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN, (continued)

Total Collective OPEB Liability

At December 31, 2017, the Board reported a liability of \$1,713,606 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of June 30, 2017 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 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, 2018, the Board’s proportion was .0197%.

Actuarial Assumptions. The total collective OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.80 percent
Discount rate	3.13 percent
Estimated remaining service lives	4.48
Salary increases	3.00 percent
Healthcare cost trend rate (Pre-65)	7.00 percent grading down .25% each year to 4.5%
Healthcare cost trend rate (Post-65)	5.50 percent grading down .25% each year to 4.5%

Mortality rates were based on the RP-2014 Healthy Annuitant and Employee Tables for Males or Females, with generational projections using projection scale MP-2106 to the RP-2104 Healthy Annuitant and Employee Tables for males and females using projection scale MP-2017.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

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NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN, (continued)

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the proportionate share of the total collective OPEB liability of the Board, as well as what the Board’s net OPEB liability would be if it were calculated using a discount rate that 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Proportionate share of total collective OPEB liability	\$2,012,118	\$1,713,606	\$1,478,112

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate and healthcare cost trend rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Proportionate share of total collective OPEB liability	\$1,476,954	\$1,713,606	\$2,016,811

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NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN, (continued)

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

For the year ended June 30, 2018, the Board recognized OPEB expense of \$24,024. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	90,554
Employer contributions subsequent to the measurement date	43,434	
Changes in employer's proportionate share of employer and actual contributions	<u>-</u>	<u>14,294</u>
Total	<u>\$ 43,434</u>	<u>\$ 104,848</u>

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NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS PLAN, (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resource related to OPEB will be recognized in the OPEB expense as follows:

Year ended June 30	
2019	\$ 30,129
2020	30,129
2021	30,129
2022	14,462
2023	<u>-</u>
Thereafter	<u>\$104,849</u>

Payable to the OPEB Plan

At June 30, 2018, the Board reported a payable of \$0 for the outstanding amount of contributions to OPEB plan required for the year ended June 30, 2018.

NOTE 8 – RISK MANAGEMENT

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, 2018, 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.

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STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 9 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 74, "Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans." The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. This Statement did not have a material effect on the Board's financial statements upon implementation.

The GASB has issued Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*" The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This Statement is effective for fiscal years beginning after June 15, 2017. The effects of this statement were applied retroactively by reporting the cumulative effect of the application as a restatement of beginning net position of, as appropriate. The impact of the implementation of this to the Board's financial statements was a decrease in net position of \$1,110,509.

The GASB has issued Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*" The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. This Statement did not have a material effect on the Board's financial statements upon implementation.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10 – PRIOR PERIOD ADJUSTMENT

According to GASB Statement 75, net OPEB liability is required to be recognized on the Statement of Net Position. A prior adjustment was made for the implementation of GASB 75 (as more fully discussed in Note 9).

NOTE 11 – SUBSEQUENT EVENTS

There were no events subsequent to year end and through August 23, 2018, the date on which these financial statements were available to be issued, that would have a significant impact on them.

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

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of the Board's Proportionate Share
of the Net Pension Liability**

Schedule 1 presents the Board's Net Pension Liability.

Schedule of Board Pension Contributions

Schedule 2 presents the amount of contributions the Board made to the pension system.

**Schedule of Proportionate Share of the
Total Collective OPEB Liability**

Schedule 3 presents the Schedule of Proportionate Share of the Total Collective OPEB Liability.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana State Employees' Retirement System (LASERS)					
2015	0.03730%	\$ 2,332,203	\$ 695,042	336%	65.00%
2016	0.03622%	2,463,506	684,226	360%	62.70%
2017	0.03590%	2,819,065	726,248	388%	57.70%
2018	0.03620%	2,550,942	675,688	378%	62.50%
Teachers' Retirement System of Louisiana (TRSL)					
2017	0.00112%	115,231	48,501	238%	65.60%

* Amounts presented were determined as of the measurement date (previous fiscal year-end)

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

See independent auditors' report.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
SCHEDULE OF THE BOARD'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Fiscal Year</u>	<u>Statutorily- Required Contribution</u>	<u>Contributions in relation to the statutorily- required contribution</u>	<u>Contribution Deficiency/(Excess)</u>	<u>Board's covered employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
Louisiana State Employees' Retirement System (LASERS)					
2015	\$ 262,563	\$ 262,563	\$ -	\$ 684,226	38.37%
2016	268,617	268,617	-	722,089	37.20%
2017	242,414	242,414	-	677,134	35.80%
2018	256,086	256,086	-	675,688	37.90%
Teachers' Retirement System of Louisiana (TRSL)					
2017	\$ 12,901	\$ 12,901	\$ -	\$ 48,501	26.60%

* Amounts presented were determined as of the fiscal year-end

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

See independent auditors' report.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE
OF THE TOTAL COLLECTIVE OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

Employer's proportion of the total collective OPEB liability	0.0197%
Employers proportionate share of the total collective OPEB liability	\$ 1,713,606
Employer's covered-employee payroll	\$ 675,688
Employer's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll	253.61%

Notes to Schedule

Amounts presented were determined as of the measurements date (previous fiscal year)

This 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 Statement 75 to pay related benefits.

See independent auditors' report.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Board Member</u>	<u>Amount</u>
Myron L. Collins	\$ 21,000
Candace M. Melancon	750
A. Kenison Roy, III, MD	300
Albertha Prince, LPN	600
Andrew E. Morson, MD	300
Barbara J. Gibbs, RN	525
Brent O. Campanella, MD	150
Christopher C. Mallett, LPN	900
Gwendolyn Dunn, LPN	600
Janie A. Cypret, LPN	1,275
M. Kaleem Arshad, MD	150
Roberta Connelly, RN	600
Mohammed Sulaman, MD	75
	<hr/>
Total	<u>\$ 27,225</u>

The Schedule of Per Diem Paid to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

See independent auditors' report.

GARRETY & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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*

INDEPENDENT AUDITOR'S REPORT

**LOUISIANA STATE BOARD OF PRACTICAL
NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**
Metairie, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners (Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated August 23, 2018.

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 opinion on the financial statements, but not for the 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.

GARRETY & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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*.

GARRETY & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this communication is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Garrety & Associates, LLC". The signature is written in a cursive, flowing style.

August 23, 2018

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section II - Financial Statement Findings

Current Year (June 30, 2018):

Non-Compliance with State Laws and Regulations

No findings related to non-compliance with state laws and regulations, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit for the fiscal year ended June 30, 2018.

Prior Year (June 30, 2017):

Non-Compliance with State Laws and Regulations

2017-001: Required Ethics Training not Completed

Condition: Several board members are not obtaining ethics education in accordance with LSA-RS 42:1170(3)(a)(i). This was a repeat finding from the prior year.

Criteria: LSA-RS 42:1170(3)(a)(i) requires that all public servants complete a minimum of one hour of education and training on the Code of Governmental Ethics during each year of their public employment or terms of office.

Cause: The board members were confused on the timing of obtaining the required ethics training. Several interpreted it based on the entity's fiscal year and not the calendar year (as required).

Effect: The entity could face sanctions and/or fines from the Ethics Board.

Auditor's Recommendation: The entity's management should ensure that each employee and board member comply with the Code of Governmental Ethics and obtain the annual ethics training required by Louisiana Law.

Management's Response: The entity's management will schedule and enroll each board member to obtain the ethics course by June 1 of each year.

**ANNUAL FISCAL REPORT (AFR)
FOR 2018**

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: 08/29/2018 02:45 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	630,860.00
INVESTMENTS:	
OTHER INVESTMENTS	2,426,797.00
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)	7,668.00
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	5,189.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$3,070,514.00

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)	156,747.00
MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(143,985.00)
INFRASTRUCTURE	

**ANNUAL FISCAL REPORT (AFR)
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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	95,104.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$107,866.00
TOTAL ASSETS	\$3,178,380.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES	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
FEES PAID TO PERMANENT INVESTORS PRIOR TO SALE OF MORTGAGE LOANS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	43,434.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	513,407.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$556,841.00

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	44,830.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	28,172.00
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
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$73,002.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

**ANNUAL FISCAL REPORT (AFR)
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CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	65,893.00
CAPITAL LEASE OBLIGATIONS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
TOTAL OPEB LIABILITY	1,713,606.00
NET PENSION LIABILITY	2,666,102.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL LONG-TERM LIABILITIES	\$4,445,601.00
TOTAL LIABILITIES	\$4,518,603.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES	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 ORIGATION	0.00
LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	104,848.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	71,459.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$176,307.00

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	107,866.00
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	\$(1,067,555.00)
TOTAL NET POSITION	\$(959,689.00)

**ANNUAL FISCAL REPORT (AFR)
FOR 2018**

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: 08/29/2018 02:45 PM

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OPERATING REVENUES:

SALES OF COMMODITIES & SERVICES	11,956.00
ASSESSMENTS	233,605.00
USE OF MONEY & PROPERTY	0.00
LICENSES, PERMITS & FEES	1,804,483.00
FEDERAL GRANTS & CONTRACTS	0.00
OTHER	360.00
TOTAL OPERATING REVENUES	\$2,050,404.00

OPERATING EXPENSES:

COST OF SALES & SERVICES	0.00
ADMINISTRATIVE	1,837,669.00
DEPRECIATION	10,067.00
AMORTIZATION	0.00
UNEMPLOYMENT INSURANCE BENEFITS	0.00
TOTAL OPERATING EXPENSES	\$1,847,736.00

OPERATING INCOME (LOSS) \$202,668.00

NONOPERATING REVENUES(EXPENSES)

NON-OPERATING INTERGOVERNMENTAL REVENUES	0.00
NON-OPERATING INTERGOVERNMENTAL EXPENSES	0.00
GAIN ON SALE OF CAPITAL ASSETS	0.00
LOSS ON SALE OF CAPITAL ASSETS	0.00
FEDERAL GRANTS	0.00
INTEREST EXPENSE	0.00
OTHER NON-OPERATING REVENUES	16,718.00
OTHER NON-OPERATING EXPENSES	0.00
TOTAL NONOPERATING REVENUES (EXPENSES)	\$16,718.00

INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS \$219,386.00

CAPITAL CONTRIBUTIONS	0.00
TRANSFERS IN	0.00
TRANSFERS OUT	0.00

CHANGE IN NET POSITION \$219,386.00

NET POSITION - BEGINNING	\$(68,566.00)
NET POSITION - RESTATEMENT	(1,110,509.00)

**ANNUAL FISCAL REPORT (AFR)
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NET POSITION - ENDING

\$(959,689.00)

**ANNUAL FISCAL REPORT (AFR)
FOR 2018**

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:

RECEIPTS FROM CUSTOMERS	2,050,404.00
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	(495,055.00)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00
PAYMENTS TO EMPLOYEES FOR SERVICES	(1,371,474.00)
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	\$183,875.00

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	0.00
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	(15,422.00)
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	\$(15,422.00)

CASH FLOWS FROM INVESTING ACTIVITIES:

PURCHASES OF INVESTMENTS	(412,584.00)
PROCEEDS FROM THE SALE OF INVESTMENTS	5,000.00
INTEREST AND DIVIDENDS	13,947.00
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$(393,637.00)

NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS **\$(225,184.00)**

**ANNUAL FISCAL REPORT (AFR)
FOR 2018**

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners

PREPARED BY: Randy Martinez

PHONE NUMBER: 985-327-7311

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SUBMITTAL DATE: 08/29/2018 02:45 PM

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	856,044.00
RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	0.00
CASH & CASH EQUIVALENTS AT END OF YEAR	\$630,860.00

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

OPERATING INCOME (LOSS)	\$202,668.00
--------------------------------	---------------------

ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

DEPRECIATION/AMORTIZATION	10,067.00
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	(5,189.00)
(INCREASE)/DECREASE IN INVENTORIES	0.00
(INCREASE)/DECREASE IN OTHER ASSETS	0.00
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	0.00
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	83,384.00
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	10,777.00
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	876.00
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	0.00
INCREASE/(DECREASE) IN UNEARNED REVENUES	0.00
INCREASE/(DECREASE) IN OPEB LIABILITY	(75,359.00)
INCREASE/(DECREASE) IN NET PENSION LIABILITY	109,614.00
INCREASE/(DECREASE) IN OTHER LIABILITIES	0.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	0.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	(152,963.00)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$183,875.00
---	---------------------

**ANNUAL FISCAL REPORT (AFR)
FOR 2018**

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: 08/29/2018 02:45 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	0.00
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	654,965.00	0.00	0.00	404,965.00
Non-Negotiable Certificates of Deposits	2,426,797.00	0.00	0.00	724,962.00
Money Market Demand Accounts*	0.00	0.00	0.00	0.00
Total	\$3,081,762.00	\$0.00	\$0.00	\$1,129,927.00

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
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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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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	81,940.00	0.00	\$81,940.00	13,164.00	0.00	\$95,104.00
Total capital assets not depreciated	\$81,940.00	\$0.00	\$81,940.00	\$13,164.00	\$0.00	\$95,104.00
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	189,282.00	0.00	\$189,282.00	2,258.00	(34,793.00)	\$156,747.00
Accumulated depreciation	(168,711.00)	0.00	\$(168,711.00)	(10,067.00)	34,793.00	\$(143,985.00)
Total Machinery & Equipment	\$20,571.00	\$0.00	\$20,571.00	\$(7,809.00)	\$0.00	\$12,762.00
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	\$20,571.00	\$0.00	\$20,571.00	\$(7,809.00)	\$0.00	\$12,762.00
Depreciation Total:						\$(10,067.00)

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PENSIONS

System:	Employer Contributions to the Pension Plan between the Measurement Date and the Employer's Fiscal Year-end	Covered Payroll during the Entity's Current Fiscal Year	Calendar Year Entities Only! *Employer Contributions to the Pension Plan between January and June of the next reporting calendar year
LASERS	286,628.00	675,688.00	0.00
TRSL	13,315.00	48,501.00	0.00
LSERS	0.00	0.00	0.00
DARS	0.00	0.00	0.00
LCCRRF	0.00	0.00	0.00
ROVERS	0.00	0.00	0.00

Note: Calendar year entities (Barbers Examiners Board; Louisiana Cemetery Board, and Louisiana State Board of Medical Examiners) should report employer's contributions for the calendar year as follows:

Column 1 - record the amount from July - December of the current calendar year being reported.

*Column 3 - record the amount of contributions from January - June of the calendar year following the current year being reported. OSRAP is capturing this info early, which will be used in preparing next year's pension spreadsheet.

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Other Postemployment Benefits (OPEB)

If your agency has an active or retired employee who is a member of the LSU Health Plan, provide the following information on those employees.

Covered Employee Payroll for the PRIOR fiscal year (not including related benefits)	0.00
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Benefit Payments made for the CURRENT fiscal year (defined as the employer payments for retirees' cost of current year insurance premiums)	0.00
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For calendar year-end agencies only: Benefit payments or employer payments for health and life insurance premiums made for the next year's valuation reporting period (7/1/PY - 6/30/CY).	0.00
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If your agency has an active or retired employee who is a member of the OGB Plan, provide the following information on those employees:

Covered Employee Payroll for the PRIOR fiscal year (not including related benefits)	753,421.00
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Benefit Payments made for the CURRENT fiscal year (defined as the employer payments for retirees' cost of current year insurance premiums)	43,434.00
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For calendar year-end agencies only: Benefit payments or employer payments for health and life insurance premiums made for the next year's valuation reporting period (7/1/PY - 6/30/CY).	0.00
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Note: Calendar Year agencies participating in OGB / LSU Health Plan: Barbers Examiners Board, Louisiana Cemetery Board, and Louisiana Board of Medical Examiners

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OPERATING LEASES

	Buildings	Equipment	Land	Total
2018	102,900.00	0.00	0.00	\$102,900.00
2019	77,175.00	0.00	0.00	\$77,175.00
2020	0.00	0.00	0.00	\$0.00
2021	0.00	0.00	0.00	\$0.00
2022	0.00	0.00	0.00	\$0.00
2023	0.00	0.00	0.00	\$0.00
2024	0.00	0.00	0.00	\$0.00
2025	0.00	0.00	0.00	\$0.00
2026	0.00	0.00	0.00	\$0.00
2027	0.00	0.00	0.00	\$0.00
2028	0.00	0.00	0.00	\$0.00
2029	0.00	0.00	0.00	\$0.00
2030	0.00	0.00	0.00	\$0.00
2031	0.00	0.00	0.00	\$0.00
2032	0.00	0.00	0.00	\$0.00
2033	0.00	0.00	0.00	\$0.00
2034	0.00	0.00	0.00	\$0.00
2035	0.00	0.00	0.00	\$0.00
2036	0.00	0.00	0.00	\$0.00
2037	0.00	0.00	0.00	\$0.00
2038	0.00	0.00	0.00	\$0.00
2039	0.00	0.00	0.00	\$0.00
2040	0.00	0.00	0.00	\$0.00
2041	0.00	0.00	0.00	\$0.00
2042	0.00	0.00	0.00	\$0.00
2043	0.00	0.00	0.00	\$0.00
Total	\$180,075.00	\$0.00	\$0.00	\$180,075.00

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CAPITAL LEASES

	Buildings	Equipment	Land	Total
2018	0.00	0.00	0.00	\$0.00
2019	0.00	0.00	0.00	\$0.00
2020	0.00	0.00	0.00	\$0.00
2021	0.00	0.00	0.00	\$0.00
2022	0.00	0.00	0.00	\$0.00
2023	0.00	0.00	0.00	\$0.00
2024	0.00	0.00	0.00	\$0.00
2025	0.00	0.00	0.00	\$0.00
2026	0.00	0.00	0.00	\$0.00
2027	0.00	0.00	0.00	\$0.00
2028	0.00	0.00	0.00	\$0.00
2029	0.00	0.00	0.00	\$0.00
2030	0.00	0.00	0.00	\$0.00
2031	0.00	0.00	0.00	\$0.00
2032	0.00	0.00	0.00	\$0.00
2033	0.00	0.00	0.00	\$0.00
2034	0.00	0.00	0.00	\$0.00
2035	0.00	0.00	0.00	\$0.00
2036	0.00	0.00	0.00	\$0.00
2037	0.00	0.00	0.00	\$0.00
2038	0.00	0.00	0.00	\$0.00
2039	0.00	0.00	0.00	\$0.00
2040	0.00	0.00	0.00	\$0.00
2041	0.00	0.00	0.00	\$0.00
2042	0.00	0.00	0.00	\$0.00
2043	0.00	0.00	0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00
Less amounts representing executory costs	0.00	0.00	0.00	\$0.00
Net minimum lease payments	\$0.00	\$0.00	\$0.00	\$0.00
Less amounts representing interest	0.00	0.00	0.00	\$0.00
Present value of net minimum lease payments	\$0.00	\$0.00	\$0.00	\$0.00
Gross Amount of Leased Asset (Historical Cost)	0.00	0.00	0.00	\$0.00

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LESSOR LEASES

	Buildings	Equipment	Land	Total
2018	0.00	0.00	0.00	\$0.00
2019	0.00	0.00	0.00	\$0.00
2020	0.00	0.00	0.00	\$0.00
2021	0.00	0.00	0.00	\$0.00
2022	0.00	0.00	0.00	\$0.00
2023	0.00	0.00	0.00	\$0.00
2024	0.00	0.00	0.00	\$0.00
2025	0.00	0.00	0.00	\$0.00
2026	0.00	0.00	0.00	\$0.00
2027	0.00	0.00	0.00	\$0.00
2028	0.00	0.00	0.00	\$0.00
2029	0.00	0.00	0.00	\$0.00
2030	0.00	0.00	0.00	\$0.00
2031	0.00	0.00	0.00	\$0.00
2032	0.00	0.00	0.00	\$0.00
2033	0.00	0.00	0.00	\$0.00
2034	0.00	0.00	0.00	\$0.00
2035	0.00	0.00	0.00	\$0.00
2036	0.00	0.00	0.00	\$0.00
2037	0.00	0.00	0.00	\$0.00
2038	0.00	0.00	0.00	\$0.00
2039	0.00	0.00	0.00	\$0.00
2040	0.00	0.00	0.00	\$0.00
2041	0.00	0.00	0.00	\$0.00
2042	0.00	0.00	0.00	\$0.00
2043	0.00	0.00	0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00
Cost	0.00	0.00	0.00	\$0.00
Accumulated Depreciation	0.00	0.00		
Carrying Value	\$0.00	\$0.00		

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LONG-TERM DEBT

	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Bonds Payable:							
Bond Series:							
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized bond premiums and discounts	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Total bonds payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Liabilities:							
Compensated absences payable	65,017.00	0.00	\$65,017.00	17,176.00	(16,300.00)	\$65,893.00	
Capital lease obligations	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Notes payable	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Contracts payable	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Pollution remediation obligation	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Claims and litigation	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Federal disallowed costs	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Other long-term liabilities	0.00	0.00	\$0.00	0.00	0.00	\$0.00	
Total other liabilities	\$65,017.00	\$0.00	\$65,017.00	\$17,176.00	\$(16,300.00)	\$65,893.00	

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2019	0.00	0.00
2020	0.00	0.00
2021	0.00	0.00
2022	0.00	0.00
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$0.00	\$0.00

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SCHEDULE OF NOTES PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2019	0.00	0.00
2020	0.00	0.00
2021	0.00	0.00
2022	0.00	0.00
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
Total	\$0.00	\$0.00

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CONTINGENCIES AND COMMITMENTS

Description of Litigation	Date of Action	Amount
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FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount
NONCURRENT LIABILITIES - NET OPEB OBLIGATION	
Description:	
GASB 75 restatement	(1,110,509.00)
Total	\$(1,110,509.00)

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SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:
LLAFileroom@lla.la.gov.