

**LOUISIANA STATE BOARD OF  
ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
STATE OF LOUISIANA**

**Financial Statements with Supplementary Information**

**As of and for the Year Ended June 30, 2018**

**(With Independent Auditors' Report Thereon)**

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
STATE OF LOUISIANA**

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**Independent Auditors' Report**

**Board of Commissioners  
Louisiana State Board of Architectural Examiners  
Office of the Governor  
State of Louisiana  
Baton Rouge, Louisiana**

**Report of the Financial Statements**

**We have audited the accompanying financial statements of the Louisiana State Board of Architectural Examiners, a component unit of the State of Louisiana, as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financials statements as listed in the table of contents.**

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana State Board of Architectural Examiners as of June 30, 2018, and the respective changes in financial position 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 the management's discussion and analysis on pages 4 through 7 and the pension information on pages 31 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Board's basic financial statements. The accompanying supplemental schedule of Commissioners' Per Diem, Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and the Division of Administration reporting package listed in the table of contents are presented for purposes of additional analysis and not a required part of the basic financial statements.

The accompanying supplemental schedules of Commissioners' Per Diem, Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and the Division of Administration reporting package listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2018, on our consideration of the Louisiana State Board of Architectural Examiners' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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.

*Griffin & Fwman, LLC*

August 30, 2018

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
STATE OF LOUISIANA

Management Discussion and Analysis

June 30, 2018

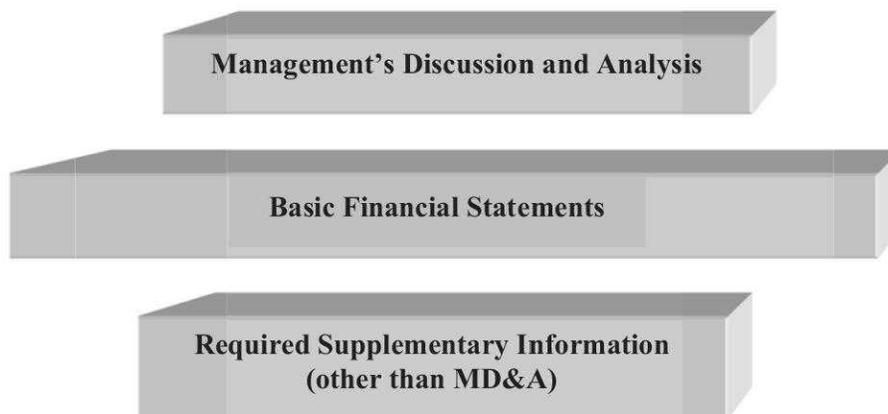
The Management’s Discussion and Analysis of the Louisiana State Board of Architectural Examiners’ (the “Board”) financial performance presents a narrative overview and analysis of the Board’s financial activities for the period from July 1, 2017 to June 30, 2018. This document focuses on the current 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 additional information contained in the Board’s financial statements.

**Financial Highlights**

- The Board’s assets exceeded its liabilities at the close of fiscal year 2018 by \$278,509. Assets consist primarily of cash and certificates of deposit. Net position increased by \$139,573 due to a prior period restatement of the Board’s OPEB liability. This restatement was required as part of the implementation of newly issued GASB Statement No. 75 and resulted in a restated net position at the beginning of the year of 193,994. As a result of operations, net position increased \$84,515 or 43.6% as compared to prior year restated net position.
- The Board’s revenues totaled \$599,733 for the year ended June 30, 2018. These revenues are comprised primarily of license renewal fees, other fees, and interest income. Revenues increased 80,601 or 15.5% compared to the prior fiscal year.
- The Board’s expenditures totaled \$515,218 for the year ended June 30, 2018. These expenditures are comprised primarily of personnel, operating, and professional services. Expenditures decreased \$138,509 or 21.2% compared to the prior fiscal year.

**Overview of the Financial Statements**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*.



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Management Discussion and Analysis

June 30, 2018

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). There is no additional Required Supplementary Information other than this management discussion and analysis.

*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 and the Statement of Activities.

The Statement of Net Position presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position 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 position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows 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 34.

Financial Analysis of the Entity

Statement of Net Position  
As of June 30, 2018

Current assets	\$ 943,740
Other assets	5,750
Capital assets, net	<u>29,015</u>
Total assets	<u>978,495</u>
Deferred outflows related to pensions & OPEB	<u>102,801</u>
Total assets & deferred outflows	<u>\$ 1,081,296</u>
Other current liabilities	\$ 35,753
Unearned revenue	91,200
Compensated absences payable	21,555
Other post-employment benefits payable	21,962
Net pension liability	<u>506,092</u>
Total liabilities	<u>676,562</u>
Deferred inflows related to pensions & OPEB	<u>126,225</u>

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**Management Discussion and Analysis**

**June 30, 2018**

<b>Net position</b>	
Net investment in capital assets	29,015
Unrestricted	<u>249,494</u>
Total net position	<u>278,509</u>
Total liabilities, deferred inflows, & net position	<u>\$ 1,081,296</u>

Unrestricted net position are those assets that do not have any limitations on how the amounts may be spent. Net position of the Board increased by \$224,088 or 412%, from June 30, 2017 to June 30, 2018. As mentioned previously, \$139,573 of this increase was due to a restatement of the Board's OPEB liability in connection with the implementation of a new accounting standard.

**Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2018**

Operating revenue	\$ 598,012
Operating expenses	<u>515,218</u>
Operating loss	82,794
Non-operating revenue	<u>1,721</u>
Net decrease net position	<u>\$ 84,515</u>

The Board's total revenues increased by \$80,601 or 15.5%. The total cost of all programs and services decreased by \$138,509 or 21.2%.

**Capital Assets and Debt Administration**

*Capital Assets*

The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2018 and 2017, was \$29,015 and \$39,611, respectively. Current year additions primarily included computer equipment. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

*Debt*

The Board has obligations for compensated absences of \$21,555. The obligation increased from \$6,652 for an increase of \$14,903 or 224.4%.

The Board has obligations for other post employment retirement benefits of \$21,962. The obligations decreased from \$162,500 for a decrease of \$140,538 or 86.5%. As mentioned previously, \$139,573 of this decrease was due to the implementation of a new accounting standard.

The District has obligations under pensions of \$506,092. The obligations decreased from \$758,557 for a decrease of \$252,465 or 33.3%.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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**Management Discussion and Analysis**

**June 30, 2018**

**Variations Between Actual and Budget Amounts**

Operating revenues were more than anticipated by \$37,438 or 6.7%. Expenses were \$169,648 or 24.8% less than anticipated. Expenses are always held below that which is actually received plus any prior year surplus.

**Economic Factors and Next Year's Budget**

The Board underwent significant changes to staff in FY18 with the retirement of long-time assistant Mary Porche and the creation of a Deputy Director position and Compliance Investigator position. Both of these positions were filled with Ms. Porche retiring in October and the Deputy Director being hired in November. The Compliance Investigator was hired in April. With a full complement on staff in FY19, the salary and benefits expenditures will be fully realized for the first time in several years.

A new database system is currently under development and is expected to launch in the fall with the renewal cycle for individual licensees. This will provide the Board with a much more secure database built on a modern day platform that provides safer storage of licensee data, as well as allow licensees the opportunity to perform all business transactions with the Board via the website. A paper option will still be available for those licensees that do not wish to conduct electronic transactions.

A new website is also under development which will launch simultaneously with the new database in the fall.

The Board also anticipates issuing the first monies to schools from the Architecture Education & Research Fund in the coming year.

**Contacting the Board's Management**

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Ms. Katherine Hillegas, Executive Director, at 9625 Fenway Avenue, Suite B, Baton Rouge, Louisiana 70809, 225-925-4802.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
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**Statement of Net Position**

**For the Year Ended June 30, 2018**

**(See Independent Auditors' Report)**

<u>Assets</u>		
Cash & cash equivalents	\$	636,278
Investments		293,402
Prepaid expenses		14,050
Other assets		5,750
Capital assets (net of depreciation)		<u>29,015</u>
<b>Total assets</b>		<u><u>978,495</u></u>
 <u>Deferred Outflows of Resources</u> 		
Changes in net pension & other post employment liabilities not yet recognized in pension expense		<u>102,801</u>
 <u>Liabilities</u> 		
<b>Current liabilities:</b>		
Accounts payable & accruals		35,753
Unearned revenue		91,200
<b>Long-term Liabilities</b>		
Compensated absences payable		21,555
Other post employment benefits payable		21,962
Net pension liability		<u>506,092</u>
<b>Total liabilities</b>		<u><u>676,562</u></u>
 <u>Deferred Inflows of Resources</u> 		
Changes in net pension & other post employment liabilities not yet recognized in pension expense		<u>126,225</u>
 <u>Net Position</u> 		
Net investment in capital assets		29,015
Unrestricted		<u>249,494</u>
<b>Total net position</b>	<b>\$</b>	<u><u>278,509</u></u>

See accompanying notes to the financial statements.

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**Statement of Revenues, Expenses, and Changes in Net Position**

**For the Year Ended June 30, 2018**

**(See Independent Auditors' Report)**

<b>Operating revenues:</b>			
<b>Licenses and other fees</b>	\$		598,012
<b>Operating expenses:</b>			
<b>Salaries and related benefits</b>	\$	239,701	
<b>Meetings, conferences and travel</b>		61,449	
<b>Professional services</b>		60,097	
<b>General and administrative</b>		142,039	
<b>Depreciation</b>		11,932	
<b>Total operating expenses</b>		515,218	515,218
<b>Operating income</b>			82,794
<b>Non-operating revenues</b>			
<b>Interest income</b>		1,721	
<b>Total non-operating revenues</b>			1,721
<b>Increase in net position</b>			84,515
<b>Net position, beginning of year</b>			54,421
<b>Prior period adjustment</b>			139,573
<b>Net position, beginning of year, as restated</b>			193,994
<b>Net position, end of year</b>	\$		278,509

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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**Statement of Cash Flows**

**For the Year Ended June 30, 2018**

**(See Independent Auditors' Report)**

<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 608,437	
Cash paid to suppliers for goods/services	(245,616)	
Cash paid to employees for services	<u>(288,411)</u>	
Net cash provided by operating activities		74,410
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets		(1,336)
<b>Cash flows from investing activities:</b>		
Purchases of investments	(1,201)	
Interest received	<u>1,721</u>	
Net cash provided by investing activities		<u>520</u>
Net increase in cash and cash equivalents		73,594
Cash and cash equivalents, beginning of year		<u>562,684</u>
Cash and cash equivalents, end of year	\$	<u><u>636,278</u></u>
<b>Reconciliation of operating loss to net cash used by operating activities</b>		
Operating income	\$	82,794
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	\$ 11,932	
<b>Increase in assets</b>		
Prepaid expenses	(14,050)	
Other assets	(5,750)	
<b>Decrease in deferred outflows related to net pension &amp; other post employment liabilities</b>		
	88,291	
<b>Increase (decrease) in liabilities</b>		
Accounts payable & accruals	22,720	
Compensated absences payable	14,903	
Unearned revenue	10,425	
Other post-employment benefits payable	(965)	
Pension liability	(252,465)	
<b>Increase in deferred inflows related to net pension &amp; other post employment liabilities</b>		
	<u>116,575</u>	
Total adjustments		<u>(8,384)</u>
Net cash provided by operating activities	\$	<u><u>74,410</u></u>

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
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**Notes to Financial Statements**

**June 30, 2018**

**(1) Summary of Significant Accounting Policies**

**(a) Introduction**

The Louisiana State Board of Architectural Examiners is a component unit of the State of Louisiana. It was created within the Office of the Governor as provided by Louisiana Revised Statute 37:142. The Board serves as a statewide authority to license and regulate the practice of architecture in the State of Louisiana. The Board is composed of 7 members that are appointed by the Governor of the State of Louisiana and serve six-year terms. Five of the members must be licensed architects that have practiced architecture for at least 7 years. One of the members must be an architect employed for at least seven years prior to his/her appointment in architectural education or as an administrator of building design, construction or design standards for government at the local, state or national level. The remaining board member is one that is not actively engaged in or retired from the professions of architecture, engineering, interior design, landscape architecture or the design/construction of buildings. Board members, as authorized by Louisiana Administrative Code 46:317(C), may receive a per diem of \$164 per day in addition to actual expense reimbursement to attend meetings or conduct board-approved business.

**(b) Measurement Focus, Basis of Accounting, and Financial Basis Presentation**

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and financial reporting standards.

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 only transactions of the Louisiana State Board of Architectural Examiners. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities

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Notes to Financial Statements

June 30, 2018

associated with the operations are included on the Statement of Net Position. Net position is segregated into net investment in capital assets and unrestricted.

(c) Assets, Liabilities, and Net Position

*Cash and Cash Equivalents*

Cash and cash equivalents include amounts in demand deposits and certificates of deposit. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

*Investments*

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

*Use of Estimates*

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

*Capital Assets*

The Board's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the Board includes all capital acquisitions with a cost of \$5,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

*Deferred Outflows and Inflows of Resources*

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

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Notes to Financial Statements

June 30, 2018

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

*Compensated Absences*

Employees of the Board had accumulated and vested \$21,555 in employee leave benefits as of June 30, 2018. This total was computed in accordance with GASB Codification Section C60.150.

*Net Position*

In the statement of net position, the difference between a government's assets and liabilities is recorded as net position. The two components of net position are as follows:

*Net Investment in Capital Assets* - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Unrestricted* - This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

(d) 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 LASERS' 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.

(e) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Board's Post Employment Health Insurance Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

(f) 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

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**Notes to Financial Statements**

**June 30, 2018**

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**(2) Stewardship, Compliance, and Accountability**

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

**(3) Deposits with Financial Institutions**

The following is a summary of cash and cash equivalents at June 30, 2017:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits:	<u>\$ 636,278</u>	<u>\$ 638,634</u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with insurance through FDIC and collateral pledged by its agent banks.

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counterparty or the counter-party's trust department or agent but not in the entity's name. All investments of the Board are certificates of deposit with maturities extending beyond 90 days. They are not subject to custodial credit risk. At June 30, 2018, the Board had three certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Regions Bank	8/28/18	.10%	\$ 119,592
Chase Bank	12/10/19	.05%	81,078
Capital One	6/29/19	1.04%	92,732
Total			<u>\$ 293,402</u>

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**Notes to Financial Statements**

**June 30, 2018**

**(4) Capital Assets**

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 83,732	1,336	-	85,068
Intangible assets	<u>13,510</u>	<u>-</u>	<u>-</u>	<u>13,510</u>
	97,242	1,336	-	98,578
Less: accumulated depreciation	<u>(57,631)</u>	<u>(11,932)</u>	<u>-</u>	<u>(69,563)</u>
Net Capital Assets, being depreciated	<u>\$ 39,611</u>	<u>(10,596)</u>	<u>-</u>	<u>29,015</u>

**(5) Compensated Absences**

The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to and approved by the Director. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net position, the amount unpaid at June 30, 2018, being \$21,555.

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no compensatory leave time accrued at June 30, 2018.

**(6) Retirement System**

**Plan Description**

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

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*Benefits Provided*

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

*Retirement Benefits*

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

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

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

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by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

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

*Deferred Benefits*

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

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

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portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

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

*Disability Benefits*

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

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

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

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

*Survivor's Benefits*

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

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

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death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

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

*Permanent Benefit Increases/Cost-of-Living Adjustments*

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

*Contributions*

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2018 for the various plans follow:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Appellate Law Clerks			
Hired before 7/1/06	Closed	7.5%	37.9%
Hired on or after 7/1/06	Open	8.0%	37.9%
Alcohol Tobacco Control	Closed	9.0%	32.7%
Bridge Police			
Hired before 7/1/06	Closed	8.5%	36.5%
Hired on or after 7/1/06	Closed	8.5%	36.5%
Corrections Primary	Closed	9.0%	33.2%
Corrections Secondary	Closed	9.0%	37.6%
Harbor Police	Closed	9.0%	6.10%
Hazardous Duty	Open	9.5%	38.3%
Judges			
Hired before 1/1/2011	Closed	11.5%	40.1%
Hired after 12/31/2010	Closed	13.0%	39.6%
Hired on or after 7/1/15	Open	13.0%	39.6%
Legislators	Closed	11.5%	41.7%
Optional Retirement Plan (ORP)			
Hired before 7/1/2006*	Closed	7.5%	33.8%

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Hired on or after 7/1/2006*	Closed	8.0%	33.8%
Peace Officers	Closed	9.0%	36.7%
Regular Employees			
Hired before 7/1/06	Closed	7.5%	37.9%
Hired on or after 7/1/06	Closed	8.0%	37.9%
Hired on or after 1/1/11	Closed	8.0%	37.9%
Hired on or after 7/1/15	Open	8.0%	37.9%
Special Legislative Employees	Closed	9.5%	43.7%
Wildlife Agents	Closed	9.5%	46.6%

\*For ORP the projected employer contribution effort was calculated using the shared UAI portion of the contribution rate of 33.8% for 2018.

The Board's contractually required composite contribution rate for the year ended June 30, 2018 was 37.9% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Board were \$59,295 for the year ended June 30, 2018.

*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 \$506,092 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Board's proportion of the Net Pension Liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Board's proportion was 0.00719%, which was a decrease of 0.00247% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Board recognized pension expense of \$46,303 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$36,213.

At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and Actual experience	\$ -	(9,286)
Changes in assumptions	1,999	-

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Net difference between projected and actual earnings on pension plan investments	16,457	-
Changes in proportion and differences Between Employer contributions and Proportionate share of contributions	24,935	(115,218)
Employer contributions subsequent to Measurement date	<u>59,295</u>	<u>-</u>
	<u>\$ 102,686</u>	<u>(124,504)</u>

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

**Year ended:**

June 30, 2019	\$	(39,166)
June 30, 2020	\$	(38,343)
June 30, 2021	\$	6,586
June 30, 2022	\$	(10,189)

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

<b>Valuation Date</b>	<b>June 30, 2017</b>
<b>Actuarial Cost Method</b>	<b>Entry Age Normal</b>
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	<b>3 years</b>
<b>Investment Rate of Return</b>	<b>7.7% per anum, net of investment expenses; 7.75% at June 30, 2016</b>
<b>Inflation Rate</b>	<b>2.75% per anum; 3.0% per anum at June 30, 2016</b>
<b>Mortality</b>	<b>Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.</b>
	<b>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</b>

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**Termination, Disability, and Retirement**

Termination, disability, and retirement assumptions were projected based on a five year (2009-2013) experience study of the System's members.

**Salary Increases**

Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members at June 30, 2017 are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

The salary increase ranges for specific types of Members at June 30, 2016 were:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	4.0%	13.0%
Judges	3.0%	5.5%
Corrections	3.6%	14.5%
Hazardous Duty	3.6%	14.5%
Wildlife	3.6%	14.5%

**Cost of Living Adjustments**

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

\* The investment rate of return used in the actuarial valuation for funding purposes was 8.16%, recognizing an additional 40 basis points for gain-sharing and 15 basis points to offset administrative expenses. The net return available to fund regular plan benefits is 7.61%, which is reasonably close to the 7.70% discount rate. Therefore we conclude that the 7.70% discount is reasonable.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.69% for 2017.

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Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u> <sup>1</sup>	<u>Long-term Expected Real Rate of Return</u> <sup>1</sup>
Cash	0%	(0.24%)
Domestic equity	25%	4.31%
International equity	32%	5.35%
Domestic Fixed Income	8%	1.73%
International Fixed Income	6%	2.49%
Alternative Investments	22%	7.41%
Global Asset Allocation	<u>7%</u>	2.84%
	<u>100%</u>	5.26%

<sup>1</sup> The information above can be found in the current Employer Pension Audit Report located at <https://lasersonline.org/employers/gasb-68-resources/>. The data provided is sample data only.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.7%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.7%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.7%) or one percentage-point higher (8.7%) than the current rate:

	1% Decrease <u>(6.7%)</u>	Current Discount Rate (7.7%)	1% Increase <u>(8.7%)</u>
Employer's proportionate share of the net pension liability	\$ <u>635,253</u>	<u>506,092</u>	<u>396,144</u>

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

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

*Payables to the Pension Plan*

As of June 30, 2018, the Board had employee and employer contributions totaling \$7,039 that was due to the pension plan.

**(7) Post Retirement Health Care and Life Insurance Benefits**

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2018. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

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

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

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

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- Vantage Zero-Premium HMO
- People's Medicare Advantage HMO
- Vantage Medicare Advantage HMO ((Premium/Standard/Basic)
- VIA Benefits HRA

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

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

Monthly rates effective January 1, 2018 are as follows:

<u>Medical Plan</u>	<u>Active Single</u>	<u>Pre-Medicare Member</u>			<u>Medicare Member</u>		
		<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>
Vantage Med Home HMO	S 671	1,252	959	262	414	1,100	328
People's MA HMO	S N/A	N/A	N/A	250	250	N/A	250
Vantage MA HMO	S N/A	N/A	N/A	210	210	N/A	210
BCBS Pelican HRA	S 422	785	601	158	255	688	204
BCBS Magnolia Local Plus	S 676	1,261	966	264	417	1,108	331
BCBS Magnolia OA	S 702	1,307	1,001	263	425	1,145	339

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

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

	<u>Basic</u>	<u>Supplemental Maximum</u>
Under age 65	\$ 5,000	50,000
Ages 65 to 70	4,000	38,000
After age 70	3,000	25,000

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000, or \$4,000 are available. Retirees pay \$0.54 monthly for each \$1,000 of life insurance and \$0.98 monthly for each \$1,000 of spouse life insurance.

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

At June 30, 2018, the Board reported a liability of \$21,962 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date. The Board's proportionate share of the restated total collective OPEB liability at June 30, 2017, totaling \$22,928, was determined using a roll back of the same valuation to July 1, 2016, using the discount rate applicable on that date, and assuming no experience gains or losses.

The Board's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2017, the Board's proportion was 0.0003%. Because the beginning balance was restated using a roll back of the July 1, 2017, valuation assuming no experience gains or losses, there is no change to the proportion since the prior measurement date.

*Actuarial Assumptions:*

*Valuation Date:* July 1, 2017. The July 1, 2016 liability is based on a no gain/loss roll back of the valuation at this date.

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

*Salary Increases:* Consistent with pension valuation assumptions.

*Discount Rate:* The discount rate used as of July 1, 2017 is 3.13% based on the June 30, 2017 S&P 20-year municipal bond index rate. The discount rate used as of July 1, 2016 is 2.71% based on the June 30, 2016 S&P 20-year municipal bond index rate.

*Consumer Price Index:* 2.80%

*Life Insurance Coverage:* Future pre-65 retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage. Spouses are assumed to elect \$2,000 of coverage. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

*Mortality:* For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 for existing disabled lives, the RP-2014 disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017.

*Healthcare Cost Trend Rates:* The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using a National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy

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**June 30, 2018**

benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). Plans that most closely match The State of Louisiana's benefits were selected to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates are shown below:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2017-2018	7.00%	5.50%
2018-2019	7.00%	5.50%
2019-2020	7.00%	5.50%
2020-2021	6.75%	5.25%
2021-2022	6.50%	5.00%
2022-2023	6.25%	4.75%
2023-2024	6.00%	4.50%
2024-2025	5.75%	4.50%
2025-2026	5.50%	4.50%
2026-2027	5.25%	4.50%
2027-2028	5.00%	4.50%
2028-2029	4.75%	4.50%
2029 +	4.50%	4.50%

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

- The actuarial cost method used was revised to the Entry Age Normal (EAN) level percent of pay method, consistent with the requirements of GASB 75.
- The Net OPEB Obligation and the Annual Required Contribution as defined in GASB 45 are no longer determined, since they are no longer required to be disclosed on the Annual Financial Statement. Instead, the annual OPEB expense recognized on the statement of activities (income statement) is based on the total OPEB liability change between reporting dates. Some changes will be recognized immediately, others amortized over several years, in accordance with the requirements of GASB 75.
- The discount rate has been decreased from 3.80% to 3.13% since the previous valuation. Additionally, a discount rate of 2.71% was used to measure the liability using a measurement date of July 1, 2016. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 3.13% and 2.71% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2017 and June 30, 2016, respectively. The discount rate used in the GASB 45 valuation was selected by the plan sponsor.
- Baseline per capita costs (PCCs) were updated to reflect 2017 claims and enrollment and retiree contributions were updated based on 2018 premiums. Age-related morbidity factors were updated for setting PCCs. The expected impact of the increase in Coverage Gap Brand Discounts from 50% to 70% in 2019 has been incorporated in the PCCs. \
- The mortality assumption was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2016

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
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**Notes to Financial Statements**

**June 30, 2018**

to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2017. These updates were based on information released by the Society of Actuaries in October 2017.

- The healthcare cost trend rates were updated to reflect recent healthcare trend survey results.
- Current retirees over age 65 are valued based on their reported Medicare status, while 95% of retirees under age 65 at 7/1/2017 are assumed to be eligible for Medicare at age 65.

*Required Supplementary Information*

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

	<u>1% Decrease</u> <u>(2.13%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (3.13%)</u>	<u>1% Increase</u> <u>(4.13%)</u>
Total OPEB liability	\$ <u>25,788</u>	<u>21,962</u>	<u>18,944</u>

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

	<u>1% Decrease</u> <u>(6%)</u>	<u>Current</u> <u>Healthcare</u> <u>Cost Trend</u> <u>Rate (7%)</u>	<u>1% Increase</u> <u>(8%)</u>
Total OPEB liability	\$ <u>18,929</u>	<u>21,962</u>	<u>25,848</u>

*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 \$756. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Changes in assumptions	\$ -	(1,161)
Changes in proportionate share of collective OPEB expense and amortization of employer-specific		

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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Notes to Financial Statements

June 30, 2018

deferred inflows / outflows	-	(560)
Benefit payments made subsequent to measurement date	<u>115</u>	<u>-</u>
	\$ <u>115</u>	<u>(1,721)</u>

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

Year ended:

June 30, 2019	\$	(495)
June 30, 2020	\$	(495)
June 30, 2021	\$	(495)
June 30, 2022	\$	(231)

(8) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 6,652	22,438	(7,535)	21,555	-
Other post-employment benefits plan	22,928	-	(966)	21,962	-
Net pension liability	<u>758,557</u>	<u>-</u>	<u>(252,465)</u>	<u>506,092</u>	<u>-</u>
Total	<u>\$ 788,137</u>	<u>22,438</u>	<u>(260,966)</u>	<u>549,609</u>	<u>-</u>

(9) Related Party Transactions

There were no related party transactions during the year.

(10) Contingent Liabilities

There is no litigation that would require disclosure in this financial report.

(11) Leases

*Operating Leases*

The Board previously executed a lease for office space for a term of five years beginning on July 1, 2012, payable at \$2,940 per month. The lease included an additional option term of five years

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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**Notes to Financial Statements**

**June 30, 2018**

which was exercised in March of 2017. The Board also leases office equipment. For the year ended June 30, 2018, total rent expense amounted to \$40,223.

The following is a schedule of the future minimum lease payments required under operating leases with initial or non-cancelable lease terms in excess of one year as of June 30, 2018:

<u>Years Ending</u>	<u>Amount</u>
2019	\$ 38,779
2020	\$ 35,281
2021	\$ 35,281
2022	\$ 35,281
2023	<u>2,940</u>
	<u>\$ 147,562</u>

**(12) Prior Period Adjustment**

In connection with the implementation of GASB Statement No. 75, the Board recorded a prior period adjustment to restate its' OPEB liability in accordance with this new accounting standard. This adjustment increased net position by \$139,573, increased deferred outflows related to OPEB by \$1, and decreased the OPEB liability by \$139,572.

**(13) Evaluation of Subsequent Events**

Subsequent events were evaluated through August 30, 2018, which is the date the financials statements were available to be issued.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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STATE OF LOUISIANA**

**Schedule of Employer's Share of Net Pension Liability**

**For the Year Ended June 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's proportion of net pension liability	0.00885%	0.00892%	0.00966%	0.00719%
Employer's proportionate share of net pension liability	553,194	606,695	758,242	758,242
Employer's covered-employee payroll	162,163	168,462	179,407	169,319
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	341%	360%	423%	448%
Plan fiduciary net position as a percentage of the total pension liability	65%	63%	58%	63%
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017

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

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

See independent auditors' report and accompanying notes to required supplementary information.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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**Schedule of Employer's Contributions**

**For the Year Ended June 30, 2018**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	62,331	62,331	-	168,462	37.00%
2016	66,739	66,739	-	179,407	37.20%
2017	60,617	60,617	-	169,319	35.80%
2018	59,295	59,295	-	156,450	35.80%

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

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

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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STATE OF LOUISIANA**

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

**For the Year Ended June 30, 2018**

*Changes in Benefit Terms:*

**Measurement Date - June 30, 2016:**

- 1. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.**
- 2. Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

*Changes in Assumptions:*

**Measurement Date - June 30, 2017:**

- 1. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019.**
- 2. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**
- 3. The projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.**

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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STATE OF LOUISIANA**

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

**For the Year Ended June 30, 2018**

	<u>2017</u>	<u>2018</u>
Employer's proportion of total collective OPEB liability	0.0003%	0.0003%
Employer's proportionate share of total collective OBEB liability	22,928	21,962
Employer's covered-employee payroll	62,322	90,529
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	37%	24%
Measurement date	July 1, 2016	July 1, 2017

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

See independent auditors' report and accompanying notes to required supplementary information.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
OFFICE OF THE GOVERNOR  
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Notes to Required Supplementary Information - Schedule of Employer's  
Proportionate Share of the Total Collective OPEB Liability

For the Year Ended June 30, 2018

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

*Changes in Assumptions:*

Measurement Date - July 1, 2017:

1. The actuarial cost method used was revised to the Entry Age Normal (EAN) level percent of pay method, consistent with the requirements of GASB 75.
2. The Net OPEB Obligation and the Annual Required Contribution as defined in GASB 45 are no longer determined, since they are no longer required to be disclosed on the Annual Financial Statement. Instead, the annual OPEB expense recognized is based on the total OPEB liability change between reporting dates. Some changes will be recognized immediately, others amortized over several years, in accordance with the requirements of GASB 75.
3. The discount rate has been decreased from 3.80% to 3.13% since the previous valuation. Additionally, a discount rate of 2.71% was used to measure the liability using a measurement date of July 1, 2016. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 3.13% and 2.71% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2017 and June 30, 2016, respectively. The discount rate used in the GASB 45 valuation was selected by the plan sponsor.
4. Baseline per capita costs (PCCs) were updated to reflect 2017 claims and enrollment and retiree contributions were updated based on 2018 premiums. Age-related morbidity factors were updated for setting PCCs. The expected impact of the increase in Coverage Gap Brand Discounts from 50% to 70% in 2019 has been incorporated in the PCCs.
5. The mortality assumption was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2016 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2017. These updates were based on information released by the Society of Actuaries in October 2017.
6. The healthcare cost trend rates were updated to reflect recent healthcare trend survey results.
7. Current retirees over age 65 are valued based on their reported Medicare status, while 95% of retirees under age 65 at 7/1/2017 are assumed to be eligible for Medicare at age 65.

See independent auditors' report.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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**Schedule of Commissioners' Per Diem**

**For the Year Ended June 30, 2018**

**(See Independent Auditors' Report)**

<u>Name</u>		<u>Amount</u>
Allen J. Bacque	S	1,937
Ronald J. Blich		2,682
David J. Brinson		1,937
John Cardone, Jr.		2,533
Richard J. LeBlanc		2,682
Robert W. McKinney		1,937
Knox Tumlin		<u>2,086</u>
	S	<u><u>15,794</u></u>

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
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Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer

For the Year Ended June 30, 2018

(See Independent Auditors' Report)

Agency Head Name: Katherine Hillegas

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 89,593
Benefits - Insurance	6,971
Benefits - Retirement	33,956
Benefits - Other	66
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	-
Travel	1,858
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
	<hr/>
	\$ <u>132,444</u>

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

AGENCY: 7-15-11 - Louisiana Board of Architectural Examiners

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**STATEMENT OF NET POSITION**

**ASSETS**

**CURRENT ASSETS:**

CASH AND CASH EQUIVALENTS	636,278.00
INVESTMENTS:	
OTHER INVESTMENTS	293,402.00
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)	0.00
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	14,050.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	5,750.00
<b>TOTAL CURRENT ASSETS</b>	<b>\$949,480.00</b>

**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)	85,068.00
MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(63,483.00)
INFRASTRUCTURE	

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INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
INTANGIBLE ASSETS	
INTANGIBLE ASSETS (GROSS)	13,510.00
INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	(6,080.00)
CONSTRUCTION IN PROGRESS	0.00
OTHER NONCURRENT ASSETS	0.00
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$29,015.00</b>
<b>TOTAL ASSETS</b>	<b>\$978,495.00</b>

**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	115.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	102,686.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$102,801.00</b>

**LIABILITIES**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	21,777.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	13,976.00
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	91,200.00
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	21,555.00
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$148,508.00</b>

**NONCURRENT PORTION OF LONG-TERM LIABILITIES:**

CONTRACTS PAYABLE	0.00
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**ANNUAL FISCAL REPORT (AFR)  
FOR 2018**

AGENCY: 7-15-11 - Louisiana Board of Architectural Examiners

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SUBMITTAL DATE: --

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
TOTAL OPEB LIABILITY	21,962.00
NET PENSION LIABILITY	506,092.00
OTHER LONG-TERM LIABILITIES	0.00
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$528,054.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$676,562.00</b>

**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	1,721.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	124,504.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$126,225.00</b>

**NET POSITION:**

NET INVESTMENT IN CAPITAL ASSETS	29,015.00
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	<b>\$249,494.00</b>
<b>TOTAL NET POSITION</b>	<b>\$278,509.00</b>

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

AGENCY: 7-15-11 - Louisiana Board of Architectural Examiners

PREPARED BY: --

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EMAIL ADDRESS: --

SUBMITTAL DATE: --

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**OPERATING REVENUES:**

SALES OF COMMODITIES & SERVICES	0.00
ASSESSMENTS	0.00
USE OF MONEY & PROPERTY	0.00
LICENSES, PERMITS & FEES	598,012.00
FEDERAL GRANTS & CONTRACTS	0.00
OTHER	0.00
<b>TOTAL OPERATING REVENUES</b>	<b>\$598,012.00</b>

**OPERATING EXPENSES:**

COST OF SALES & SERVICES	0.00
ADMINISTRATIVE	503,286.00
DEPRECIATION	9,230.00
AMORTIZATION	2,702.00
UNEMPLOYMENT INSURANCE BENEFITS	0.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$515,218.00</b>

**OPERATING INCOME (LOSS) \$82,794.00**

**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	1,721.00
OTHER NON-OPERATING EXPENSES	0.00
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$1,721.00</b>

**INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS \$84,515.00**

CAPITAL CONTRIBUTIONS	0.00
TRANSFERS IN	0.00
TRANSFERS OUT	0.00

**CHANGE IN NET POSITION \$84,515.00**

NET POSITION - BEGINNING	<b>\$54,421.00</b>
NET POSITION - RESTATEMENT	139,573.00

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

AGENCY: 7-15-11 - Louisiana Board of Architectural Examiners

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**NET POSITION - ENDING**

**\$278,509.00**



**ANNUAL FISCAL REPORT (AFR)  
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PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	562,684.00
RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	0.00

**CASH & CASH EQUIVALENTS AT END OF YEAR** **\$636,278.00**

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

**OPERATING INCOME (LOSS)** **\$82,794.00**

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

DEPRECIATION/AMORTIZATION	11,932.00
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	(14,050.00)
(INCREASE)/DECREASE IN INVENTORIES	0.00
(INCREASE)/DECREASE IN OTHER ASSETS	(5,750.00)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	(115.00)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	(112,336.00)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	22,720.00
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	14,903.00
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	0.00
INCREASE/(DECREASE) IN UNEARNED REVENUES	10,425.00
INCREASE/(DECREASE) IN OPEB LIABILITY	(965.00)
INCREASE/(DECREASE) IN NET PENSION LIABILITY	(252,465.00)
INCREASE/(DECREASE) IN OTHER LIABILITIES	0.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	1,721.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	315,596.00

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** **\$74,410.00**

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PREPARED BY: --

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

<b>Description</b>	<b>Amount</b>
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
<b>OTHER (specify below):</b>	0.00

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**DEPOSITS WITH FINANCIAL INSTITUTIONS (BANK BALANCES)**

	<b>Total Deposits (Bank Balance)</b>	<b>Uninsured and Uncollateralized (Bank Balance)</b>	<b>Uninsured and Collateralized with Securities Held by the Pledging Institution (Bank Balance)</b>	<b>Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Dept. or Agent but not in the Agency's Name (Bank Balance)</b>
Cash	638,634.00	0.00	286,278.00	0.00
Non-Negotiable Certificates of Deposits	293,402.00	0.00	0.00	0.00
Money Market Demand Accounts*	0.00	0.00	0.00	0.00
<b>Total</b>	<b>\$932,036.00</b>	<b>\$0.00</b>	<b>\$286,278.00</b>	<b>\$0.00</b>

**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**

<b>Type of Investment</b>	<b>Value</b>	<b>Fair Market Value Hierarchy</b>	<b>Valuation Techniques</b>	<b>Custodial Credit Risk</b>	<b>Credit Risk</b>	<b>Interest Rate Risk</b>
<b>Totals</b>	<b>\$0.00</b>					

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**

<b>Type of Investment</b>	<b>Current Year Valuation Technique</b>	<b>Prior Year Valuation Technique</b>	<b>Reason For Change</b>
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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)**

	<b>Beginning Balance</b>	<b>Prior Period Adjustments</b>	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Capital assets not depreciated:</b>						
<b>Land</b>	0.00	0.00	<b>\$0.00</b>	0.00	0.00	<b>\$0.00</b>
<b>Construction in progress</b>	0.00	0.00	<b>\$0.00</b>	0.00	0.00	<b>\$0.00</b>
Total capital assets not depreciated	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Other capital assets:</b>						
<b>Buildings</b>	0.00	0.00	<b>\$0.00</b>	0.00	0.00	<b>\$0.00</b>
Accumulated depreciation	0.00	0.00	<b>\$0.00</b>	0.00	0.00	<b>\$0.00</b>
Total Buildings	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Machinery &amp; Equipment</b>	83,732.00	0.00	<b>\$83,732.00</b>	1,336.00	0.00	<b>\$85,068.00</b>
Accumulated depreciation	(54,253.00)	0.00	<b>\$(54,253.00)</b>	(9,230.00)	0.00	<b>\$(63,483.00)</b>
Total Machinery & Equipment	<b>\$29,479.00</b>	<b>\$0.00</b>	<b>\$29,479.00</b>	<b>\$(7,894.00)</b>	<b>\$0.00</b>	<b>\$21,585.00</b>
<b>Infrastructure</b>	0.00	0.00	<b>\$0.00</b>	0.00	0.00	<b>\$0.00</b>
Accumulated depreciation	0.00	0.00	<b>\$0.00</b>	0.00	0.00	<b>\$0.00</b>
Total Infrastructure	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Intangibles</b>	13,510.00	0.00	<b>\$13,510.00</b>	0.00	0.00	<b>\$13,510.00</b>
Accumulated Amortization	(3,378.00)	0.00	<b>\$(3,378.00)</b>	(2,702.00)	0.00	<b>\$(6,080.00)</b>
Total Intangibles	<b>\$10,132.00</b>	<b>\$0.00</b>	<b>\$10,132.00</b>	<b>\$(2,702.00)</b>	<b>\$0.00</b>	<b>\$7,430.00</b>
Total other capital assets	<b>\$39,611.00</b>	<b>\$0.00</b>	<b>\$39,611.00</b>	<b>\$(10,596.00)</b>	<b>\$0.00</b>	<b>\$29,015.00</b>
<b>Depreciation Total:</b>	<b>\$(11,932.00)</b>					

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**PENSIONS**

<b>System:</b>	<b>Employer Contributions to the Pension Plan between the Measurement Date and the Employer's Fiscal Year-end</b>	<b>Covered Payroll during the Entity's Current Fiscal Year</b>	<b>Calendar Year Entities Only! *Employer Contributions to the Pension Plan between January and June of the next reporting calendar year</b>
LASERS	59,295.00	156,450.00	0.00
TRSL	0.00	0.00	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 <b>PRIOR</b> fiscal year (not including related benefits)	0.00
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Benefit Payments made for the <b>CURRENT</b> fiscal year (defined as the employer payments for retirees' cost of current year insurance premiums)	0.00
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<b>For calendar year-end agencies only:</b> 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 <b>PRIOR</b> fiscal year (not including related benefits)	90,529.00
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Benefit Payments made for the <b>CURRENT</b> fiscal year (defined as the employer payments for retirees' cost of current year insurance premiums)	115.00
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<b>For calendar year-end agencies only:</b> 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
--	------

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**

	<b>Buildings</b>	<b>Equipment</b>	<b>Land</b>	<b>Total</b>
2018	35,281.00	4,942.00	0.00	<b>\$40,223.00</b>
2019	35,281.00	3,498.00	0.00	<b>\$38,779.00</b>
2020	35,281.00	0.00	0.00	<b>\$35,281.00</b>
2021	35,281.00	0.00	0.00	<b>\$35,281.00</b>
2022	35,281.00	0.00	0.00	<b>\$35,281.00</b>
2023	2,940.00	0.00	0.00	<b>\$2,940.00</b>
2024	0.00	0.00	0.00	<b>\$0.00</b>
2025	0.00	0.00	0.00	<b>\$0.00</b>
2026	0.00	0.00	0.00	<b>\$0.00</b>
2027	0.00	0.00	0.00	<b>\$0.00</b>
2028	0.00	0.00	0.00	<b>\$0.00</b>
2029	0.00	0.00	0.00	<b>\$0.00</b>
2030	0.00	0.00	0.00	<b>\$0.00</b>
2031	0.00	0.00	0.00	<b>\$0.00</b>
2032	0.00	0.00	0.00	<b>\$0.00</b>
2033	0.00	0.00	0.00	<b>\$0.00</b>
2034	0.00	0.00	0.00	<b>\$0.00</b>
2035	0.00	0.00	0.00	<b>\$0.00</b>
2036	0.00	0.00	0.00	<b>\$0.00</b>
2037	0.00	0.00	0.00	<b>\$0.00</b>
2038	0.00	0.00	0.00	<b>\$0.00</b>
2039	0.00	0.00	0.00	<b>\$0.00</b>
2040	0.00	0.00	0.00	<b>\$0.00</b>
2041	0.00	0.00	0.00	<b>\$0.00</b>
2042	0.00	0.00	0.00	<b>\$0.00</b>
2043	0.00	0.00	0.00	<b>\$0.00</b>
<b>Total</b>	<b>\$179,345.00</b>	<b>\$8,440.00</b>	<b>\$0.00</b>	<b>\$187,785.00</b>

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**CAPITAL LEASES**

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

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**LESSOR LEASES**

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

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**LONG-TERM DEBT**

	<b>Beginning Balance</b>	<b>Prior Period Adjustments</b>	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due within one year</b>
<b>Bonds Payable:</b>							
<b>Bond Series:</b>							
	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
<b>Other Liabilities:</b>							
Compensated absences payable	6,652.00	0.00	\$6,652.00	22,438.00	(7,535.00)	\$21,555.00	
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	\$6,652.00	\$0.00	\$6,652.00	\$22,438.00	\$(7,535.00)	\$21,555.00	

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**SCHEDULE OF BONDS PAYABLE AMORTIZATION**

<b>Fiscal Year Ending:</b>	<b>Principal</b>	<b>Interest</b>
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	<b>\$0.00</b>	
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>

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**SCHEDULE OF NOTES PAYABLE AMORTIZATION**

<b>Fiscal Year Ending:</b>	<b>Principal</b>	<b>Interest</b>
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
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>

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

AGENCY: 7-15-11 - Louisiana Board of Architectural Examiners

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**CONTINGENCIES AND COMMITMENTS**

<b>Description of Litigation</b>	<b>Date of Action</b>	<b>Amount</b>
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**ANNUAL FISCAL REPORT (AFR)  
FOR 2018**

AGENCY: 7-15-11 - Louisiana Board of Architectural Examiners

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**FUND BALANCE/NET POSITION RESTATEMENT**

<b>Account Name/Description</b>	<b>Restatement Amount</b>
NONCURRENT LIABILITIES - NET OPEB OBLIGATION	
Description: Implementation of GASB 75	139,573.00
<b>Total</b>	<b>\$139,573.00</b>

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

**AGENCY:** 7-15-11 - Louisiana Board of Architectural Examiners

**PREPARED BY:** --

**PHONE NUMBER:** --

**EMAIL ADDRESS:** --

**SUBMITTAL DATE:** --

**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](mailto:LLAFileroom@lla.la.gov).

**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 Auditors' Report**

**Board of Commissioners  
Louisiana State Board of Architectural Examiners  
Office of the Governor  
State of Louisiana  
Baton Rouge, Louisiana**

We have audited the basic financial statements of the Louisiana State Board of Architectural Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2018, and have issued our report dated August 30, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Louisiana State Board of Architectural Examiners' internal control over financial reporting as a basis for designing our auditing procedures 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weakness and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies internal control over financial reporting that we consider to be material weaknesses, as defined above.

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. We consider the following deficiency in the Board's internal control to be a significant deficiency:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Board's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

#### Compliance and Other Matters

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

This report is intended solely for the information and use of the Louisiana State Board of Architectural Examiners, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Griffin & Furman, LLC*

August 30, 2018

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
STATE OF LOUISIANA  
OFFICE OF THE GOVERNOR**

**Schedule of Findings and Management Corrective Action Plan**

**For the Year Ended June 30, 2018**

**Summary of Audit Results:**

1. Type of Report Issued – Unqualified
2. Internal Control Over Financial Reporting
  - a. Significant Deficiencies – Yes (2018-1)
  - b. Material Weaknesses – No
3. Compliance and Other Matters – No
4. Management Letter - No

**Finding 2018-1:**

***Criteria:***

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

***Condition & Cause:***

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Board's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

***Recommendation:***

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

***Management Corrective Action Plan:***

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the Board's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS  
STATE OF LOUISIANA  
OFFICE OF THE GOVERNOR

Status of Prior Audit Findings

For the Year Ended June 30, 2018

**Finding 2017-1:**

***Criteria:***

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

***Condition & Cause:***

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Board's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

***Recommendation:***

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

***Management Corrective Action Plan:***

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the Board's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

***Status:***

There is no change in the status of this finding.