

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

June 30, 2026

(With Independent Auditor's Report Thereon)

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

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Independent Auditor's Report

Board of Commissioners
Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Louisiana Real Estate Commission (the Commission) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

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

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

Griffin & Furman, LLC

Covington, Louisiana

July 27, 2026

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Statement of Net Position

June 30, 2026

Assets and Deferred Outflows of Resources

Current assets:

Cash and cash equivalents	\$ 11,020,456	
Due from Louisiana Real Estate Appraisers Board	<u>40,811</u>	
Total current assets		11,061,267

Noncurrent assets:

Cash and cash equivalents - restricted	400,000	
Capital assets (net of depreciation and amortization)	<u>2,386,931</u>	
Total noncurrent assets		<u>2,786,931</u>

Total assets		13,848,198
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Deferred outflows of resources:

Deferred outflows related to pensions	705,879	
Deferred outflows related to other post-employment benefits payable	<u>350,711</u>	
Total deferred outflows of resources		<u>1,056,590</u>

Total assets and deferred outflows of resources	\$	<u><u>14,904,788</u></u>
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Liabilities, Deferred Inflows of Resources, and Net Position

Current liabilities:

Accounts payable and accruals	\$ 152,091	
Due to Louisiana Real Estate Appraisers Board	30,669	
Compensated absences payable	130,167	
Other post-employment benefits payable	<u>95,722</u>	
Total current liabilities		408,649

Non-current liabilities:

Compensated absences payable	294,959	
Other post-employment benefits payable	2,934,974	
Net pension liability	<u>3,004,660</u>	
Total non-current liabilities		<u>6,234,593</u>

Total liabilities		6,643,242
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See accompanying notes to the financial statements.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Statement of Net Position

June 30, 2026

Deferred inflows of resources:

Deferred inflows related to pensions	523,164	
Deferred inflows related to other post-employment benefits payable	<u>511,574</u>	
Total deferred inflows of resources		1,034,738

Net Position:

Net investment in capital assets	2,386,931	
Restricted	400,000	
Unrestricted	<u>4,439,877</u>	
Total net position		<u>7,226,808</u>
Total liabilities, deferred inflows of resources, and net position		\$ <u><u>14,904,788</u></u>

See accompanying notes to the financial statements.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2026

Operating revenues:		
License, permits, and fees	\$ 3,109,995	
Administrative fees - Louisiana Real Estate Appraisers Board	174,070	
Error and omissions collections	<u>2,711,151</u>	
Total operating revenues		5,995,216
Operating expenses:		
Personnel services	1,840,684	
Travel	125,926	
Operating services	370,722	
Supplies	37,562	
Professional services	139,890	
Other charges	14,800	
Depreciation and amortization	165,003	
Error and omissions disbursements	<u>2,711,151</u>	
Total operating expenses		<u>5,405,738</u>
Operating gain		589,478
Other nonoperating revenues:		
Interest income	<u>475,657</u>	
Total other nonoperating revenues		<u>475,657</u>
Increase in net position		1,065,135
Net position, beginning of year		<u>6,161,673</u>
Net position, end of year	\$	<u><u>7,226,808</u></u>

See accompanying notes to the financial statements.

**LOUISIANA REAL ESTATE COMMISSION
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Statement of Cash Flows

For the Year Ended June 30, 2026

Cash flows from operating activities:		
Cash received from customers	\$ 3,129,516	
Cash received from other operating receipts	2,885,221	
Cash paid to suppliers for goods/services	(936,237)	
Cash paid to employees for services	(2,446,375)	
Cash paid to other operating payments	<u>(2,711,151)</u>	
Net cash used by operating activities		(79,026)
Cash flows from investing activities:		
Interest received	<u>475,657</u>	
Net cash provided by investing activities		475,657
Cash flows from capital and related financing activities:		
Purchase of capital assets	<u>(9,750)</u>	
Net cash used by capital and related financing activities		<u>(9,750)</u>
Net increase in cash and cash equivalents		386,881
Cash and cash equivalents, beginning of year		<u>11,033,575</u>
Cash and cash equivalents, end of year	\$	<u><u>11,420,456</u></u>

See accompanying notes to the financial statements.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
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Statement of Cash Flows

For the Year Ended June 30, 2026

Reconciliation of operating gain to net cash used by operating activities

Operating gain	\$	589,478
Adjustments to reconcile operating gain to net cash used by operating activities:		
Depreciation and amortization	\$	165,003
Decrease in deferred outflows related to net pension and other post-employment benefits payable		276,515
Decrease in due from Louisiana Real Estate Appraisers Board		19,521
Increase (decrease) in liabilities		
Accounts payable and accruals		(219,846)
Due to Louisiana Real Estate Appraisers Board		(27,491)
Compensated absences payable		(399,943)
Other post-employment benefits payable		(57,642)
Net pension liability		(358,335)
Decrease in deferred inflows related to net pension and other post-employment benefits payable		(66,286)
Total adjustments		<u>(668,504)</u>
Net cash used by operating activities	\$	<u>(79,026)</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents - unrestricted	\$	11,020,456
Cash and cash equivalents - restricted		<u>400,000</u>
Cash and cash equivalents at end of year	\$	<u><u>11,420,456</u></u>

See accompanying notes to the financial statements.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2026

(1) Summary of Significant Accounting Policies

(a) Introduction

The Louisiana Real Estate Commission (the Commission) is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute 37:1430-1470, within the Office of the Governor, and is domiciled in East Baton Rouge Parish. The Commission consists of 11 members appointed by the Governor. The members may receive a per diem not to exceed \$50 per meeting or day spent on business of the Commission, plus travel expenses. The Commission is charged with the responsibility of regulating the issuance of real estate licenses and timesharing registrations. Operations of the Commission are funded through self-generated revenues.

(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 standards have defined the governmental reporting entity to be the State of Louisiana. The Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the Governor appoints the Commission members and public service is rendered within the state's boundaries. The accompanying financial statements present only transactions of the Commission. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations (a) that are 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) when 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 Commission is determined by its measurement focus. The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position. Net position is segregated into net investment in capital assets, restricted, and unrestricted.

LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
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Notes to the Financial Statements

June 30, 2026

(c) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Cash Equivalents

Cash includes petty cash, demand deposits, and certificates of deposit. Cash equivalents include amounts in time deposits that mature within 90 days after year end. Under state law, the Commission may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the Commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Commission may invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. Investments are stated at fair value.

Capital Assets

Capital assets are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Furniture and equipment includes all items valued over \$5,000. Assets are depreciated using the straight-line method over the useful lives of the assets.

<u>Asset</u>	<u>Years</u>
Furniture and equipment	10
Website development	5
Software	5
Buildings	40

Deferred Outflows and Inflows of Resources

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

In the statement of net position, deferred outflows of resources and deferred inflows of resources are reported for amounts related to the Commission'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.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
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Notes to the Financial Statements

June 30, 2026

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs 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. Compensated absences are computed in accordance with GASB Statement No. 101, *Compensated Absences*.

Net Position

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

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net positions with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The Louisiana Real Estate Recovery Fund has \$400,000 of net position restricted by Louisiana Revised Statute 37:1461. At June 30, 2026, the Commission had \$400,000 restricted net position.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Commission considers restricted amounts to be spent first when both restricted and unrestricted net position are available unless there are legal documents/contracts that prohibit doing this.

(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.

LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

(e) Other Post-employment Benefits (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 Commission'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.

(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 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.

(g) Adoption of New Accounting Pronouncement

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after July 1, 2025, which the Commission implemented in fiscal year ending June 30, 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement also addresses certain application issues identified through the GASB's research. The implementation of this standard required changes to the Commission's financial reporting, but did not materially affect beginning net position.

(2) Deposits with Financial Institutions

The following is a summary of cash and cash equivalents at June 30, 2026:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits	\$ <u>11,420,456</u>	\$ <u>11,417,165</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.

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Commission does not have any deposits that fall within this category. Deposits of the Commission are held in traditional demand deposit and promontory insured cash sweep accounts. These deposits are fully secured with insurance through the Federal Deposit Insurance Corporation.

(3) Capital Assets

A summary of changes in capital assets and related depreciation for the fiscal year ended June 30, 2026 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated:				
Land	\$ <u>198,460</u>	<u>-</u>	<u>-</u>	<u>198,460</u>
Total capital assets, not being depreciated	<u>198,460</u>	<u>-</u>	<u>-</u>	<u>198,460</u>
Capital Assets, being depreciated:				
Furniture and equipment	653,419	-	-	653,419
Website development	47,800	9,750	-	57,550
Software	444,930	-	-	444,930
Building	<u>3,304,484</u>	<u>-</u>	<u>-</u>	<u>3,304,484</u>
Total capital assets, being depreciated	<u>4,450,633</u>	<u>9,750</u>	<u>-</u>	<u>4,460,383</u>
Less: accumulated depreciation:				
Furniture and equipment	235,427	65,510	-	300,937
Website development	40,216	9,750	-	49,966
Software	430,580	7,131	-	437,711
Building	<u>1,400,686</u>	<u>82,612</u>	<u>-</u>	<u>1,483,298</u>
Total accumulated depreciation	<u>2,106,909</u>	<u>165,003</u>	<u>-</u>	<u>2,271,912</u>
Net capital assets, being depreciated	<u>2,343,724</u>	<u>(155,253)</u>	<u>-</u>	<u>2,188,471</u>
Net capital assets	\$ <u>2,542,184</u>	<u>(155,253)</u>	<u>-</u>	<u>2,386,931</u>

The Commission recorded \$165,003 of depreciation and amortization expense on its capital assets for the year ended June 30, 2026.

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

(4) Accounts Payable and Accruals

The following is a summary of accounts payable and accruals of the Commission for the year ended June 30, 2026:

Vendor payables	\$ 18,405
Payroll related liabilities	82,710
Accrued wages	<u>50,976</u>
	<u><u>\$ 152,091</u></u>

(5) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2026 was as follows:

	<u>Type of Debt</u>		
	<u>Compensated Absences</u>	<u>Other post- employment benefits payable</u>	<u>Net pension liability</u>
Balance at June 30, 2025	\$ 825,069	3,088,338	3,362,995
Additions (Reductions)	<u>(399,943)</u>	<u>(57,642)</u>	<u>(358,335)</u>
Balance at June 30, 2026	<u>\$ 425,126</u>	<u>3,030,696</u>	<u>3,004,660</u>
Amounts Due Within One Year	<u>\$ 130,167</u>	<u>95,722</u>	<u>-</u>

(6) Post-Retirement Health Care and Life Insurance Benefits

Plan Description: The Commission'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 Annual Comprehensive Financial Report. You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

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, 2025. 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 the age of 65 can elect coverage under the following plans:

- LA Blue Pelican HRA
- LA Blue Magnolia Local/Local Plus
- LA Blue Magnolia Open Access

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

- LA Blue Pelican HRA
- LA Blue Magnolia Local/Local Plus
- LA Blue Magnolia Open Access
- People's Medicare Advantage HMO
- LA Blue Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

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

<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%

**LOUISIANA REAL ESTATE COMMISSION
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STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2026

Monthly rates effective January 1, 2026 are as follows:

<u>Medical Plan</u>		<u>Pre-Medicare Member</u>				<u>Medicare Member</u>	
		<u>Active Single</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Member Spouse</u>	<u>Pre-65 Only</u>	<u>Medicare Spouse</u>
People's MA HMO	\$	N/A	N/A	N/A	N/A	378	378
LA Blue Pelican HRA	\$	N/A	1,165	892	234	379	302
LA Blue Mag. Local Plus	\$	N/A	1,870	1,432	391	618	490
LA Blue Magnolia OA	\$	N/A	1,938	1,484	390	630	502
LA Blue MA HMO Reg. 1	\$	N/A	N/A	N/A	N/A	259	259
LA Blue MA HMO Reg. 2	\$	N/A	N/A	N/A	N/A	246	246
LA Blue MA HMO Reg. 3	\$	N/A	N/A	N/A	N/A	268	268
LA Blue MA HMO Reg. 4	\$	N/A	N/A	N/A	N/A	218	218
LA Blue MA HMO Reg. 5	\$	N/A	N/A	N/A	N/A	334	334
LA Blue MA HMO Reg. 6-8	\$	N/A	N/A	N/A	N/A	295	295
LA Blue MA HMO Reg. 9	\$	N/A	N/A	N/A	N/A	322	322
Humana MA HMO Reg. 1	\$	N/A	N/A	N/A	N/A	95	95
Humana MA HMO Reg. 2	\$	N/A	N/A	N/A	N/A	241	241
Humana MA HMO Reg. 3	\$	N/A	N/A	N/A	N/A	205	205
Humana MA HMO Reg. 4	\$	N/A	N/A	N/A	N/A	206	206
Humana MA HMO Reg. 5	\$	N/A	N/A	N/A	N/A	202	202
Humana MA HMO Reg. 6	\$	N/A	N/A	N/A	N/A	253	253
Humana MA HMO Reg. 7	\$	N/A	N/A	N/A	N/A	263	263
Humana MA HMO Reg. 8	\$	N/A	N/A	N/A	N/A	263	263
Humana MA HMO Reg. 9	\$	N/A	N/A	N/A	N/A	239	239

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. Retiree pays 50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

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

At June 30, 2026, the Commission reported a liability of \$3,030,696 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2025 and was determined by an actuarial valuation as of that date.

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The Commission'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 July 1, 2025, the Commission's proportion was 0.040100%.

Actuarial Assumptions:

Valuation Date: July 1, 2025.

Measurement Date: July 1, 2025.

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.

Discount Rate: The discount rate used as of July 1, 2025 is 5.20% based on the Bond Buyer 20 Index rate as of June 30, 2025.

Inflation Rate: 2.40%

Salary Increases: The rates of salary increases are consistent with the assumption used in the June 30, 2025 Louisiana State Employees' Retirement System Actuarial Valuation.

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 our National Health Care Trend Survey. The survey gathers information on trend expectations for the coming year from various insurers and PBMs. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match the State of Louisiana's benefits 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 applicable to medical and prescription drug benefits are as follows:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2025-2026	8.25%	7.00%
2026-2027	8.00%	6.50%
2027-2028	7.75%	6.30%
2028-2029	7.50%	6.10%
2029-2030	7.00%	6.00%
2030-2031	6.50%	5.75%
2031-2032	6.00%	5.50%
2032-2033	5.50%	5.25%
2033-2034	5.00%	5.00%
Thereafter	4.50%	4.50%

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The retiree contribution trend is the same as the medical and drug trend.

Healthcare Claim Cost: Per capita costs for the self-insured plans administered by LA Blue were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2024 through December 31, 2025. The claims experience was trended to the valuation date. Prescription drug per capita costs have been reduced for expected rebate payments. Prescription drug per capita costs for Medicare retirees under the self-insured plans have been further reduced for expected EGWP subsidies based on projections provided by CVS.

It is the actuary's understanding that effective January 1, 2025 Liviniti became the new commercial Pharmacy Benefit Manager (PBM). We considered the impact of this change when developing our per capita cost assumptions based on information regarding the expected impact provided.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2026 premiums adjusted to the valuation date using the Medicare trend assumption on the prior page.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age Related Morbidity assumptions below.

The table below indicates the assumed 2025 per capita costs normalized to male retiree age 65:

<u>Plan</u>	<u>Without Medicare Retirement Date Before 3/1/15</u>	<u>With Medicare Retirement Date Before 3/1/15</u>	<u>Without Medicare Retirement Date After 3/1/15</u>	<u>With Medicare Retirement Date After 3/1/15</u>
People's MA HMO	N/A	3,646	N/A	3,646
LA Blue MA HMO	N/A	2,681	N/A	2,681
Humana MA HMO	N/A	1,842	N/A	1,842
Via Benefits HRA	N/A	2,400	N/A	2,400
LA Blue Pelican HRA	18,197	4,096	18,197	4,096
LA Blue Magnolia Local/Local Plus	23,633	4,829	23,771	4,743
LA Blue Magnolia Open Access	25,586	4,476	25,296	3,409

Administrative Expenses: Included in medical claim is a 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes, as well as insurer margin and profit (where applicable).

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Age Related Morbidity: Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from “Health Care Costs – From Birth to Death” sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013)⁸. Table 4 from Mr. Yamamoto’s study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

<u>Age</u>	<u>Male Factor</u>	<u>Female Factor</u>
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

Basis for Demographic Assumptions: The actuary relied upon the assumptions used in the June 30, 2025 Louisiana State Employees’ Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions.

Mortality: For General active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.

For Public Safety active lives: the PubS-2010 Below Median Employee Table, adjusted by 1.050 for males and 0.974 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

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For survivors: the PubG-2010 Contingent Survivor Table, adjusted by 1.264 for males and 1.326 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

Rates of Retirement: The rates of retirement are consistent with the assumptions used in the June 30, 2025 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.

<u>Age</u>	<u>Regular Members Years of Service</u>				
	<u><10</u>	<u>10-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
55	0%	12%	12%	60%	48%
60	17%	35%	35%	28%	28%
62	14%	17%	17%	17%	17%
65	18%	18%	18%	18%	18%
70	16%	19%	19%	19%	19%
72	16%	19%	19%	19%	19%
75+	100%	100%	100%	100%	100%

Disability Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

<u>Age</u>	<u>Rate</u>
40	0.070%
45	0.110%
50	0.150%
55	0.250%
60	0.000%

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Termination Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

<u>Age</u>	<u><1</u>	<u>1</u>	<u>2-3</u>	<u>4-6</u>	<u>7-9</u>	<u>10+</u>
20	50.0%	33.3%	22.5%	20.0%	13.0%	5.3%
30	30.0%	22.0%	18.0%	13.0%	7.3%	5.3%
40	25.0%	18.5%	14.0%	10.5%	7.3%	4.3%
45	25.0%	18.5%	12.0%	10.5%	7.3%	4.3%
50	25.0%	18.5%	12.0%	10.5%	6.5%	4.3%
55	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%
60	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%

Participation Rate - Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024.

<u>Years of Service</u>	<u>Participation %</u>
<10	33%
10 - 14	60%
15 - 19	80%
20+	88%

Participation Rate - Life Insurance: 36% of future retirees are assumed to participate in the life insurance. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Plan Election Percentage: Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

<u>Medical Plan</u>	<u>Pre-Medicare %</u>	<u>Medicare %</u>
LA Blue Pelican HRA	13%	8%
LA Blue Magnolia L/LP	80%	71%
LA Blue Magnolia OA	7%	13%
People's MA HMO	N/A	1%
LA Blue MA HMO	N/A	4%
Humana MA HMO	N/A	2%
Via Benefits HRA	N/A	1%

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This assumption has been updated since the prior valuation based on a review of the past three years of experience.

Dependents: Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. 35% of future retirees are also assumed to elect life insurance benefit for their spouses.

For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2021 through June 30, 2024.

Medicare Eligibility: 99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at July 1, 2017 are assumed to become eligible for Medicare at age 65 at varying rates based on how soon they turn age 65, as follows:

<u>Turns Age 65 by</u>	<u>Medicare Eligibility %</u>
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2021 through June 30, 2024.

DROPS: Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years from the DROP start dates. This assumption is consistent with the plan provisions of the DROP program in LASERS.

60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS. 50% of DROPS are assumed to return to active employment at the end of the DROP period.

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

- The discount rate has increased from 3.93% to 5.20%.
- Baseline per capita costs (PCCs) were updated to reflect 2025 claims and enrollment.
- The Medicare trend was updated to be the same as the Pre-Medicare trend, which more accurately reflects recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Medicare trend has been revised to 8.25%, trending down to an ultimate rate of 4.5% by FYE 2035.
- Agency 4030 was an excluded agency as of July 1, 2024 but is an included agency as of July 1, 2025. In addition, several excluded agencies were removed from the valuation as of July 1, 2025 because of no activity and no OPEB liability balance.

Required Supplementary Information

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

	1% Decrease <u>(4.20%)</u>	Current Discount Rate <u>(5.20%)</u>	1% Increase <u>(6.20%)</u>
Proportionate Share of the Total Collective OPEB liability	\$ <u>3,497,793</u>	<u>3,030,696</u>	<u>2,650,164</u>

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

	1% Decrease <u>(7.25%)</u>	Current Healthcare Cost Trend Rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
Proportionate Share of the Total Collective OPEB liability	\$ <u>2,632,541</u>	<u>3,030,696</u>	<u>3,526,253</u>

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

For the year ended June 30, 2026, the Commission recognized an OPEB benefit of \$64,755. At June 30, 2026, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 138,796	(293,211)
Changes in experience	70,049	-
Changes in proportionate share of collective OPEB expense	46,144	(150,661)
Difference in proportionate share of employer payments and actual payments	-	(67,702)
Contributions made subsequent to measurement date	<u>95,722</u>	<u>-</u>
	<u>\$ 350,711</u>	<u>(511,574)</u>

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

Year ended:

June 30, 2027	\$ (186,968)
June 30, 2028	\$ (31,768)
June 30, 2029	\$ (13,474)
June 30, 2030	\$ (24,375)

(7) Retirement System

Plan Description

Employees of the Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at 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 or at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary employed after January 1, 2011 was eliminated by Act 992. Specialty plan

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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 annually earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual while judges receive 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 that the member lives to the minimum service retirement age and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits

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

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

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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 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

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

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

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

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

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

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years, 2 years earned immediately prior to death and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

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

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, 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 or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

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.

Employer Contributions

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

The Commission's contractually required composite contribution rate for the year ended June 30, 2026 was 33.15% 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 Commission were \$518,095 for the year ended June 30, 2026.

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

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

At June 30, 2026, the Commission reported a liability of \$3,004,660 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Commission's proportion was 0.0667%, which was an increase of 0.0048% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the Commission recognized pension expense of \$472,825, including the effect of amortizing changes in proportion and differences between the Commission's contributions and its proportionate share of contributions.

At June 30, 2026, the Commission 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	\$ 41,737	-
Net difference between projected and actual earnings on pension plan investments	-	(514,563)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	146,047	(8,601)
Employer contributions subsequent to measurement date	<u>518,095</u>	<u>-</u>
	<u>\$ 705,879</u>	<u>(523,164)</u>

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

\$518,095 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other 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, 2027	\$ 202,944
June 30, 2028	\$ (254,456)
June 30, 2029	\$ (195,970)
June 30, 2030	\$ (87,898)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum, net of investment expenses
Inflation Rate	2.40% per annum
Mortality	Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021.
	Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2019-2023) experience study of the System's members.

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

Salary Increases

Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.30% for 2025. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	0.85%
Domestic equity	4.42%
International equity	5.22%
Domestic Fixed Income	2.53%
International Fixed Income	5.37%
Alternative Investments	7.43%
Total Fund	5.75%

LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA

Notes to the Financial Statements

June 30, 2026

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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 7.25%, 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 (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension liability	\$ 4,573,428	3,004,660	1,959,734

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.

Payables to the Pension Plan

As of June 30, 2026, the Commission owed \$47,209 that is due to the pension plan.

(8) Related Party Transactions

There were no related party transactions during the year.

(9) Contingent Liabilities

The Louisiana Real Estate Commission intervenes in lawsuits filed against licensees for the purpose of protecting the Commission's exposure under the Louisiana Real Estate Recovery Fund. At June 30, 2026, the total exposure to the Recovery Fund is estimated to be \$0. There is no litigation that would require disclosure in this financial report.

**LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements

June 30, 2026

(10) Evaluation of Subsequent Events

Subsequent events were evaluated through July 27, 2026, which is the date the financial statements were available to be issued.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Schedule of Employer's Proportionate Share of Net Pension Liability

Last Ten Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Employer's proportion of net pension liability	0.05419%	0.05168%	0.05116%	0.05092%	0.05435%	0.05762%	0.05369%	0.05097%	0.06184%	0.06665%
Employer's proportionate share of net pension liability	\$ 4,255,142	3,637,386	3,489,075	3,689,110	4,494,943	3,171,391	4,058,825	3,411,691	3,362,995	3,004,660
Employer's covered-employee payroll	\$ 1,008,190	1,012,676	1,018,528	990,880	1,083,206	1,189,094	1,217,055	1,146,880	1,343,410	1,599,405
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	422%	359%	343%	372%	415%	267%	333%	297%	250%	188%
Plan fiduciary net position as a percentage of the total pension liability	58%	63%	64%	63%	58%	58%	64%	68%	75%	79%
Measurement date	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25

This schedule reflects the participation of the Commission's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, of the total pension liability.

See accompanying notes to required supplementary information.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Schedule of Employer's Pension Contributions

Last Ten Fiscal Years

<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>
2017	\$ 362,538	362,538	-	1,012,676	35.8%
2018	386,022	386,022	-	1,018,528	37.9%
2019	375,936	375,936	-	990,880	37.9%
2020	440,693	440,693	-	1,083,206	40.7%
2021	476,826	476,826	-	1,189,094	40.1%
2022	480,733	480,733	-	1,217,055	39.5%
2023	463,340	463,340	-	1,146,880	40.4%
2024	554,828	554,828	-	1,343,410	41.3%
2025	555,633	555,633	-	1,599,405	34.7%
2026	518,095	518,095	-	1,562,879	33.2%

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 REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Net Pension Liability and Schedule of Employer’s Pension Contributions**

Last 10 Fiscal Years

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.**

Measurement Date: June 30, 2019:

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

Measurement Date: June 30, 2021:

- 1. Act 37 of 2021 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.**

Changes in Assumptions:

Measurement Date: June 30, 2017:

- 1. The Commission 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 years 2018 and 2020.**
- 2. The Commission 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 years 2018 and 2020 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.**

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Net Pension Liability and Schedule of Employer’s Pension Contributions**

Last 10 Fiscal Years

Measurement Date: June 30, 2018:

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

Measurement Date: June 30, 2019:

1. Rate was reduced from 7.70% to 7.60%.
2. The Commission reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increases assumptions decreased by .25%.

Measurement Date: June 30, 2020:

1. In accordance with the Commission's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.60% to 7.55%.
2. The Commission reduced the inflation assumption from 2.50% to 2.30%, effective July 1, 2020. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .20%.

Measurement Date: June 30, 2021:

1. In accordance with the Commission's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.55% to 7.40%.

Measurement Date: June 30, 2022:

1. In accordance with the Commission's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.4% to 7.25%.
2. The expected long-term real rates of return were increased from 5.81% to 5.91%.

Measurement Date: June 30, 2023:

1. The expected long-term real rates of return were decreased from 5.91% to 5.75%.

Measurement Date: June 30, 2024:

1. The Board increased the inflation assumption from 2.30% to 2.40%, effective July 1, 2024. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions increased by .10%.

**LOUISIANA REAL ESTATE COMMISSION
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STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Net Pension Liability and Schedule of Employer’s Pension Contributions**

Last 10 Fiscal Years

2. The Board conducted an experience study for the observation period of July 1, 2018 through June 30, 2023. The results of the study impacted actuarial assumptions, mortality assumptions, disability assumption, retirement/DROP assumption, termination assumption, salary growth, and converted leave.

Measurement Date: June 30, 2025:

1. There were no changes in assumptions or methods from the prior valuation.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

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

Last Ten Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Employer's proportion of total collective OPEB liability	0.0346%	3.4600%	0.0358%	0.0336%	0.0432%	0.0446%	0.0448%	0.0393%	0.0395%	0.0401%
Employer's proportionate share of total collective OPEB liability	\$ 3,143,770	3,011,341	3,035,724	2,597,422	3,580,076	4,087,044	3,022,851	2,812,537	3,088,338	3,030,696
Employer's covered-employee payroll	\$ 1,013,889	1,009,212	980,218	1,077,208	1,085,623	1,070,732	1,128,831	1,013,357	1,320,605	1,520,493
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	310%	298%	310%	241%	330%	382%	268%	278%	234%	199%
Measurement date	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21	7/1/22	7/1/23	7/1/24	7/1/25

See accompanying notes to required supplementary information.

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years

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 discount rate increased from 2.71% to 3.13%.**

Measurement Date: July 1, 2018:

- 1. The discount rate decreased from 3.13% to 2.98%.**
- 2. Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2020 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums.**
- 3. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018.**
- 4. The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.**

Measurement Date: July 1, 2019:

- 1. The discount rate decreased from 2.98% to 2.79%.**
- 2. Baseline per capita costs (PCCs) were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience.**
- 3. Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates.**
- 4. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019.**
- 5. Demographic assumptions for the Louisiana State Employee Retirement System (LASERS) were updated based on a recent experience study performed by LASERS.**

**LOUISIANA REAL ESTATE COMMISSION
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**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years

Measurement Date: July 1, 2020:

- 1. The discount rate decreased from 2.79% to 2.66%.**
- 2. Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, the actuaries do not believe this experience is reflective of what can be expected in future years. Plan claims and premiums increased less than had been expected, which decreased the Plan’s liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan’s liability.**
- 3. The actuaries rely upon the economic assumptions used in the June 30, 2020 actuarial valuations for the four Statewide Retirement Systems. Two of these systems, the Louisiana State Employee Retirement System (LASERS) and the Teachers’ Retirement System of Louisiana (TRSL) have adopted new salary scale assumptions for the June 30, 2020 valuation. Economic assumptions were updated to reflect the updated salary scale assumptions.**
- 4. Several demographic assumptions were updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.**
 - a. Medical participation rates have been decreased as follows:**

<u>Years of Service</u>	<u>From</u>	<u>To</u>
<10	52%	33%
10-14	73%	60%
15-19	84%	80%
20+	88%	88%

- b. The life participation rate has been decreased from 52% to 36% since the previous valuation, which decreased the Plan’s liability.**
- c. The age difference between future retirees and their spouses was changed from three years for all retirees to three years for male retirees and two years for female retirees.**
- d. The assumed percent of participants assumed to be Medicare-eligible upon reaching age 65 was changed from 95% to 99%.**
- e. Medical plan election percentages decreased as follows: Towers Extend HIX – 3% to 0%; BCBS MA HMO – 0% to 2%; Humana MA HMO – 0% to 1%.**

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years

Measurement Date: June 30, 2021:

1. The discount rate was decreased from 2.66% to 2.18%.
2. Baseline per capita costs were updated to reflect 2021 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

Measurement Date: June 30, 2022:

1. The discount rate has increased from 2.18% to 4.09%.
2. Baseline per capita costs were updated to reflect 2022 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.

Measurement Date: June 30, 2023:

1. The discount rate has increased from 4.09% to 4.13%.
2. Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.
4. The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).
5. The healthcare cost trend was updated.

**LOUISIANA REAL ESTATE COMMISSION
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**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of
Total Collective OPEB Liability**

Last 10 Fiscal Years

Measurement Date: June 30, 2024

- 1. The discount rate decreased from 4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023 to 3.93% based on the Bond Buyer 20 Index as of June 30, 2024.**
- 2. Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2024 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan’s liability.**
- 3. The mortality, retirement, termination, disability, and salary increase rates for the LASERS groups were updated to be consistent with the pension valuation assumptions.**
- 4. The healthcare cost trend was updated.**

Measurement Date: June 30, 2025

- 1. The discount rate increased from 3.93% based on the Bond Buyer 20 Index as of June 30, 2024 to 5.20% as of June 30, 2025.**
- 2. Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2025 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan’s liability.**
- 3. The Medicare trend was updated to be the same as the Pre-Medicare trend, which more accurately reflects recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Medicare trend has been revised to 8.25%, trending down to an ultimate rate of 4.5% by FYE 2035.**
- 4. Agency 4030 was an excluded agency as of July 1, 2024 but is an included agency as of July 1, 2025. In addition, several excluded agencies were removed from the valuation as of July 1, 2025 because of no activity and no OPEB liability balance.**

Changes in Benefit Terms:

There were no changes of benefit terms for the OPEB Plan during any of the years presented.

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 7-15-17 - Louisiana Real Estate Commission
PREPARED BY: --
PHONE NUMBER: --
EMAIL ADDRESS: --
SUBMITTAL DATE: --

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	11,020,456.00
INVESTMENTS:	
OTHER INVESTMENTS	0.00
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
P3 RECEIVABLE (NET) - CURRENT (Only relates to Transferor)	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE FROM OTHER FUNDS	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	40,811.00
TOTAL CURRENT ASSETS	\$11,061,267.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:	
RESTRICTED CASH - NONCURRENT	400,000.00
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
P3 RECEIVABLE (NET) - NONCURRENT (Only relates to Transferor)	0.00

CAPITAL ASSETS:

LAND	198,460.00
BUILDING & IMPROVEMENTS	
BUILDINGS AND IMPROVEMENTS (GROSS)	3,304,484.00
BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION)	(1,483,298.00)
MACHINERY & EQUIPMENT	
MACHINERY AND EQUIPMENT (GROSS)	653,419.00

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 7-15-17 - Louisiana Real Estate Commission

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

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MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(300,937.00)
INFRASTRUCTURE	
INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
SOFTWARE AND OTHER INTANGIBLE ASSETS	
SOFTWARE AND OTHER INTANGIBLE ASSETS (GROSS)	502,480.00
SOFTWARE AND OTHER INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	(487,677.00)
CONSTRUCTION IN PROGRESS	0.00
LEASED LAND	
LEASED LAND (GROSS)	0.00
LEASED LAND (ACCUMULATED AMORTIZATION)	0.00
LEASED BUILDING & OFFICE SPACE	
LEASED BUILDING & OFFICE SPACE (GROSS)	0.00
LEASED BUILDING & OFFICE SPACE (ACCUMULATED AMORTIZATION)	0.00
LEASED MACHINERY & EQUIPMENT	
LEASED MACHINERY & EQUIPMENT (GROSS)	0.00
LEASED MACHINERY & EQUIPMENT (ACCUMULATED AMORTIZATION)	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)	
SBITA (GROSS)	0.00
SBITA (ACCUMULATED AMORTIZATION)	0.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENT (P3)	
P3 (GROSS) (Only relates to Operator)	0.00
P3 (ACCUMULATED AMORTIZATION) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$2,786,931.00
TOTAL ASSETS	\$13,848,198.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE-RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	350,711.00
PENSION-RELATED	705,879.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$1,056,590.00

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	133,686.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	18,405.00
PROFESSIONAL SERVICES	0.00
SUPPLIES	0.00
GRANTS & PUBLIC ASSISTANCE	0.00
OTHER CHARGES	0.00
CAPITAL OUTLAY	0.00
ACCRUED INTEREST	0.00

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DERIVATIVE INSTRUMENTS	0.00
DUE TO OTHER FUNDS	0.00
DUE TO FEDERAL GOVERNMENT	0.00
UNEARNED REVENUES	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
OTHER CURRENT LIABILITIES	30,669.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	130,167.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	95,722.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$408,649.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	294,959.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	2,934,974.00
NET PENSION LIABILITY	3,004,660.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL NONCURRENT LIABILITIES	\$6,234,593.00
TOTAL LIABILITIES	\$6,643,242.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE-RELATED	0.00
P3-RELATED (Only relates to Transferor)	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	511,574.00
PENSION-RELATED	523,164.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$1,034,738.00

NET POSITION:

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NET INVESTMENT IN CAPITAL ASSETS	2,386,931.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
UNEMPLOYMENT COMPENSATION	0.00
ENDOWMENTS - EXPENDABLE	0.00
ENDOWMENTS - NONEXPENDABLE	0.00
DEBT SERVICE	0.00
OTHER PURPOSES	400,000.00
UNRESTRICTED	\$4,439,877.00
TOTAL NET POSITION	\$7,226,808.00

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

OPERATING REVENUES:		
SALES OF COMMODITIES & SERVICES		0.00
ASSESSMENTS (only used for Unemployment Trust Fund)		0.00
USE OF MONEY & PROPERTY		0.00
LICENSES, PERMITS & FEES	3,109,995.00	
OPERATING GRANTS AND CONTRACTS		0.00
OTHER REVENUE	2,885,221.00	
TOTAL OPERATING REVENUES	\$5,995,216.00	
OPERATING EXPENSES:		
COST OF SALES & SERVICES		0.00
ADMINISTRATIVE	5,240,735.00	
DEPRECIATION	148,122.00	
AMORTIZATION	16,881.00	
UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund)		0.00
OTHER EXPENSES		0.00
TOTAL OPERATING EXPENSES	\$5,405,738.00	
OPERATING INCOME (LOSS)	\$589,478.00	
NONCAPITAL SUBSIDIES		
INTERGOVERNMENTAL REVENUES (includes most federal grants)		0.00
TRANSFERS IN		0.00
TRANSFERS OUT		0.00
OTHER SUBSIDIES RECEIVED		0.00
OTHER SUBSIDIES PAID		0.00
TOTAL NONCAPITAL SUBSIDIES	\$0.00	
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	\$589,478.00	
OTHER NONOPERATING REVENUES(EXPENSES)		
GAIN ON SALE OF CAPITAL ASSETS		0.00
LOSS ON SALE OF CAPITAL ASSETS		0.00
NET INVESTMENT EARNINGS	475,657.00	
INTEREST EXPENSE		0.00
INTEREST REVENUE (FINANCING RELATED)		0.00
ADDITIONS TO PERMANENT ENDOWMENTS		0.00
CAPITAL APPROPRIATIONS		0.00
CAPITAL GRANTS AND CONTRIBUTIONS		0.00
TRANSFERS IN - RESTRICTED FOR CAPITAL ASSETS		0.00
CAPITAL SUBSIDIES PAID		0.00
TOTAL OTHER NONOPERATING REVENUES (EXPENSES)	\$475,657.00	

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INCOME (LOSS) BEFORE UNUSUAL OR INFREQUENT ITEMS	\$1,065,135.00
UNUSUAL OR INFREQUENT ITEMS	
INFLOWS	0.00
OUTFLOWS	0.00
TOTAL UNUSUAL OR INFREQUENT ITEMS	\$0.00
CHANGE IN NET POSITION	\$1,065,135.00
NET POSITION - BEGINNING	\$6,161,673.00
NET POSITION - RESTATEMENT	
NET POSITION - RESTATEMENT - ERROR CORRECTION	0.00
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	\$7,226,808.00
<u>Ending Net Position on the Statement of Revenues MUST equal Total Net Position on the SNP.</u>	

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:		
RECEIPTS FROM CUSTOMERS	3,129,516.00	
RECEIPTS FROM INTERFUND SERVICES PROVIDED	0.00	
RECEIPTS FROM INTERFUND REIMBURSEMENTS	0.00	
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	0.00	
OTHER OPERATING RECEIPTS	2,885,221.00	
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(936,237.00)	
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00	
PAYMENTS TO EMPLOYEES FOR SERVICES	(2,446,375.00)	
PAYMENTS FOR INTERFUND SERVICES USED	0.00	
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	0.00	
OTHER OPERATING PAYMENTS	(2,711,151.00)	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (79,026.00)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	0.00	
RECEIPTS FROM GRANTS AND GIFTS	0.00	
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	0.00	
RECEIPTS FROM OTHER FUNDS	0.00	
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	0.00	
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	0.00	
PAYMENTS FOR GRANTS AND SUBSIDIES	0.00	
PAYMENTS TO OTHER FUNDS	0.00	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$0.00	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT	0.00	
RECEIPTS FROM CAPITAL GRANTS	0.00	
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	0.00	
RECEIPTS FROM LESSOR LEASES AND P3 ARRANGEMENTS	0.00	
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	(9,750.00)	
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	0.00	
PAYMENTS FOR INTEREST ON CAPITAL DEBT	0.00	
PAYMENTS FOR INTANGIBLE RIGHT TO USE ASSETS	0.00	
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (9,750.00)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
PURCHASES OF INVESTMENTS	0.00	
PROCEEDS FROM THE SALE OF INVESTMENTS	0.00	
INTEREST AND DIVIDENDS	475,657.00	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$475,657.00	

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NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	\$386,881.00
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CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	11,033,575.00
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RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	0.00
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CASH & CASH EQUIVALENTS AT END OF YEAR	\$11,420,456.00
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RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY
OPERATING ACTIVITIES:

OPERATING INCOME (LOSS)	\$589,478.00
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ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED)
BY OPERATING ACTIVITIES:

DEPRECIATION/AMORTIZATION	165,003.00
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PROVISION FOR UNCOLLECTIBLE ACCOUNTS	0.00
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NONEMPLOYER CONTRIBUTING ENTITY REVENUE	0.00
---	------

OTHER	0.00
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(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	0.00
--	------

(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	0.00
---	------

(INCREASE)/DECREASE IN PREPAYMENTS	0.00
------------------------------------	------

(INCREASE)/DECREASE IN INVENTORIES	0.00
------------------------------------	------

(INCREASE)/DECREASE IN OTHER ASSETS	19,521.00
-------------------------------------	-----------

(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	49,415.00
--	-----------

(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	227,100.00
--	------------

(INCREASE)/DECREASE IN OTHER DEFERRED OUTFLOWS	0.00
--	------

INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	(219,846.00)
--	--------------

INCREASE/(DECREASE) IN COMPENSATED ABSENCES	(399,943.00)
---	--------------

INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	0.00
---	------

INCREASE/(DECREASE) IN UNEARNED REVENUES	0.00
--	------

INCREASE/(DECREASE) IN OPEB LIABILITY	(57,642.00)
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INCREASE/(DECREASE) IN NET PENSION LIABILITY	(358,335.00)
--	--------------

INCREASE/(DECREASE) IN OTHER LIABILITIES	(27,491.00)
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INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	(152,251.00)
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INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	85,965.00
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INCREASE/(DECREASE) IN OTHER DEFERRED INFLOWS	0.00
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NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$(79,026.00)
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STATEMENT OF CASH FLOWS
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Description	Amount
GAIN ON DISPOSAL OF CAPITAL ASSETS	0.00
LOSS ON DISPOSAL OF CAPITAL ASSETS	0.00
CONTRIBUTIONS OF CAPITAL ASSETS	0.00
INCREASE IN RIGHT-TO-USE LEASED ASSETS	0.00
GAIN ON EARLY TERMINATION OF LEASES	0.00
LOSS ON EARLY TERMINATION OF LEASES	0.00
INCREASE IN RIGHT-TO-USE SBITA ASSETS	0.00
GAIN ON EARLY TERMINATION OF SBITAs	0.00
LOSS ON EARLY TERMINATION OF SBITAs	0.00
INCREASE IN RIGHT-TO-USE P3 ASSETS	0.00
GAIN ON EARLY TERMINATION OF P3 ARRANGEMENTS	0.00
LOSS ON EARLY TERMINATION OF P3 ARRANGEMENTS	0.00
OTHER (specify below):	0.00

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DEPOSITS WITH FINANCIAL INSTITUTIONS (BANK BALANCES)

	Total Deposits (Bank Balance)	Uninsured and Uncollateralized (Bank Balance)	Uninsured and Collateralized with Securities Held by the Pledging Institution (Bank Balance)	Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Dept.or Agent but not in the Agency's Name (Bank Balance)
Cash	11,417,165.00	0.00	11,167,165.00	0.00
Non-Negotiable Certificates of Deposits	0.00	0.00	0.00	0.00
Money Market Demand Accounts*	0.00	0.00	0.00	0.00
Total	\$11,417,165.00	\$0.00	\$11,167,165.00	\$0.00

Do NOT include any cash or CD's on deposit with the State Treasurer
*DOES NOT Include Money Market Mutual Funds

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INVESTMENTS

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

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

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

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

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CHANGES IN VALUATION TECHNIQUES

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

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DUES AND TRANSFERS

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

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

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

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

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ASSET RETIREMENT OBLIGATION (ARO)

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

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

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

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

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

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SCHEDULE OF CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not depreciated:						
Land	198,460.00	0.00	\$198,460.00	0.00	0.00	\$198,460.00
Construction in progress	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total capital assets not depreciated	\$198,460.00	\$0.00	\$198,460.00	\$0.00	\$0.00	\$198,460.00
Capital Assets being Depreciated:						
Buildings	3,304,484.00	0.00	\$3,304,484.00	0.00	0.00	\$3,304,484.00
Accumulated depreciation	(1,400,686.00)	0.00	\$(1,400,686.00)	(82,612.00)	0.00	\$(1,483,298.00)
Total Buildings	\$1,903,798.00	\$0.00	\$1,903,798.00	\$(82,612.00)	\$0.00	\$1,821,186.00
Machinery & equipment	653,419.00	0.00	\$653,419.00	0.00	0.00	\$653,419.00
Accumulated depreciation	(235,427.00)	0.00	\$(235,427.00)	(65,510.00)	0.00	\$(300,937.00)
Total Machinery & Equipment	\$417,992.00	\$0.00	\$417,992.00	\$(65,510.00)	\$0.00	\$352,482.00
Infrastructure	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated depreciation	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Software and Other Intangibles	492,730.00	0.00	\$492,730.00	9,750.00	0.00	\$502,480.00
Accumulated Amortization	(470,796.00)	0.00	\$(470,796.00)	(16,881.00)	0.00	\$(487,677.00)
Total Intangibles	\$21,934.00	\$0.00	\$21,934.00	\$(7,131.00)	\$0.00	\$14,803.00
Leased Assets:						
Leased land	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Leased Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leased buildings/office space	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Leased Buildings/Office Space	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leased machinery & equipment	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Leased Machinery & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SBITAs	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total SBITAs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
P3s (operator only)	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total P3s	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Capital Assets being Depreciated, net	\$2,343,724.00	\$0.00	\$2,343,724.00	\$(155,253.00)	\$0.00	\$2,188,471.00

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Total Capital Assets (Depreciable and Non-depreciable), net	\$2,542,184.00	\$0.00	\$2,542,184.00	\$(155,253.00)	\$0.00	\$2,386,931.00
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CAPITAL ASSETS HELD FOR RESALE

Disclosure of a capital asset classified as held for sale is required when the following conditions are met:

- a. the government has decided to pursue the sale of the asset, and
- b. it is probable (likely to occur) that the sale will be finalized within one year of the financial date.

Does your agency currently hold any capital assets classified as 'held for resale' that individually meet the materiality threshold of \$5 million based on historical cost? No
(See the AFR instructions for factors to consider when evaluating whether it is probable the the sale will be finalized within one year.)

If Yes, complete the following:

Below, describe the capital assets separately that meet the conditions for being classified as held for resale and individually meet the materiality threshold.

If the asset is pledged as collateral for outstanding debt, list the carrying amount of the outstanding debt in the appropriate column.

Capital Asset Description	Historical Cost	Accumulated Depreciation	Carrying Amount of Outstanding Debt for asset pledged as collateral, if applicable
	0.00	0.00	0.00
Total	\$0.00	\$0.00	\$0.00

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IMPAIRMENT OF CAPITAL ASSETS

Does your agency have any Impairment of Capital Assets to report? No

A. Movable Property and Equipment

Impairment Indicator No.	Movable Property Description	LPAA Property Tag No.	Estimated Restoration Cost	Original Cost (incl: Additions & Modifications)	Replacement Value	CFY Insurance Recovery
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B. Building

Impairment Indicator No.	Building Description	Building ID Number	Estimated Restoration Cost	Original Cost (incl: Additions & Modifications)	Replacement Value	CFY Insurance Recovery
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C. Infrastructure

Impairment Indicator No.	Description	Impairment Loss Value Prior to Insurance Recovery	Original Cost	Estimated Restoration Cost	Replacement Value	CFY Insurance Recovery
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D. Idle Assets

Type of Asset	LPAA Property Tag No. /Building ID	Carrying Value
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PENSIONS			
System:	Employer Contributions to the Pension Plan between the Measurement Date and the Employer's Fiscal Year-end	Covered Payroll during the Entity's Current Fiscal Year	Calendar Year Entities Only! *Employer Contributions to the Pension Plan between January and June of the next reporting calendar year
LASERS	518,095.00	1,562,879.00	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 active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2025 measurement date for their OPEB valuation.)

Benefit payments made subsequent to the measurement date of the OGB Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year-end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	95,722.00
--	-----------

Covered Employee Payroll for the PRIOR fiscal year (not including related benefits)	1,520,493.00
--	--------------

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2025 - 6/30/2026). This information will be provided to the actuary for the valuation report early next year.	0.00
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For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2026 for their OPEB valuation report.)

Covered Employee Payroll for the CURRENT fiscal year (not including related benefits)	0.00
--	------

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LESSEE LEASE DISCLOSURES

For guidance on lease reporting, see "GASB 87/94/96 Guidance" which is available in the AFR portal.

1a. Does your agency have any long-term contracts that meet the criteria for lease reporting under GASB 87 with a lease contract/component value exceeding the materiality threshold? [See OSRAP memo 22-14 for guidance on applying the \$100,000 materiality threshold]. **No**

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LEASE LIABILITY			
Fiscal Year Ending:	Principal	Interest	Total
2027	0.00	0.00	\$0.00
2028	0.00	0.00	\$0.00
2029	0.00	0.00	\$0.00
2030	0.00	0.00	\$0.00
2031	0.00	0.00	\$0.00
2032 - 2036	0.00	0.00	\$0.00
2037 - 2041	0.00	0.00	\$0.00
2042 - 2046	0.00	0.00	\$0.00
2047 - 2051	0.00	0.00	\$0.00
2052 - 2056	0.00	0.00	\$0.00
2057 - 2061	0.00	0.00	\$0.00
2062 - 2066	0.00	0.00	\$0.00
Remaining years	0.00	0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00

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LESSOR LEASE DISCLOSURES

For guidance on lease reporting, see "GASB 87/94/96 Guidance" which is available in the AFR portal.

1a. Does your agency have any long-term contracts that meet the criteria for lessor reporting under GASB 87 with a lease contract/component value exceeding the materiality threshold? [See OSRAP memo 22-14 for guidance on applying the \$100,000 materiality threshold]. **No**

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SBITA DISCLOSURES

For guidance on SBITA reporting, see "GASB 87/94/96 Guidance" which is available in the AFR portal.

1a. Does your agency have any long-term contracts that meet the criteria for SBITA reporting under GASB 96 with a SBITA contract/component value exceeding the materiality threshold? [See OSRAP Memo 23-07 for guidance on applying the \$100,000 materiality threshold]. **No**

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SBITA LIABILITY			
Fiscal Year Ending:	Principal	Interest	Total
2027	0.00	0.00	\$0.00
2028	0.00	0.00	\$0.00
2029	0.00	0.00	\$0.00
2030	0.00	0.00	\$0.00
2031	0.00	0.00	\$0.00
2032 - 2036	0.00	0.00	\$0.00
2037 - 2041	0.00	0.00	\$0.00
2042 - 2046	0.00	0.00	\$0.00
2047 - 2051	0.00	0.00	\$0.00
2052 - 2056	0.00	0.00	\$0.00
2057 - 2061	0.00	0.00	\$0.00
2062 - 2066	0.00	0.00	\$0.00
Remaining years	0.00	0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00

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P3 DISCLOSURES

For guidance on P3 reporting, see "GASB 87/94/96 Guidance" which is available in the AFR portal.

1a. Does your agency have any arrangements that meet the criteria for P3 reporting under GASB 94 that exceed the materiality threshold? [See OSRAP Memo 23-08 for guidance on applying the \$3,000,000 materiality threshold]. **No**

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COMPENSATED ABSENCES

GASB Statement 101, Compensated Absences, is effective for fiscal year ended June 30, 2025. See OSRAP Memo 25-10 for details and calculation examples.

Fiscal Year 2026 liability calculation:

Total annual and sick leave value at 6/30/2026 for all employees: <i>(Multiply each employees' full annual and sick leave balance at 6/30/2026 by their base hourly pay rate at 6/30/2026 and add additional salary related payments paid by the employer for medicare, social security, or defined contribution plans, as applicable. Do not include employer contributions for defined benefit plans. Also, do not cap the annual leave at 300 hours when calculating the value.</i>	654,040.00
Percentage of leave projected to be settled through future time off or cash payments: <i>The statewide percentage calculated by OSRAP using LaGov data is 65%. This percentage should be entered here unless entity has calculated its own projection as explained in OSRAP Memo 25-10.</i>	65.00%
Estimated liability at 6/30/2026 for sick and annual leave	425,126.00
Additional liabilities for K-time balances and other compensated absences, if applicable and material	0.00
Total estimated liability at 6/30/2026	425,126.00
Current portion estimate : <i>This is the estimate of leave that will be settled in fiscal year 2026 (i.e. current portion of liability at 6/30/2026) and can be estimated at the value (in dollars) of sick and annual leave settled through time off and cash payment during the current fiscal year.</i>	130,167.00
Non-current portion estimate:	294,959.00

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LONG-TERM DEBT							
	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Bonds Payable:							
Bond Series:							
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized bond premiums and discounts	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Total bonds payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bonds Payable - Direct Placements:							
Bond Series:							
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized bond premiums and discounts	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Total bonds payable - direct placements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total bonds payable including direct placements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Liabilities:							
Compensated absences payable	825,069.00	0.00	\$825,069.00	0.00	(399,943.00)	\$425,126.00	130,167.00
Lease liability	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
SBITA liability	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
P3 liability	0.00	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	0.00
Notes payable - direct borrowings	0.00	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	0.00
Pollution remediation obligation	0.00	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	0.00
Federal disallowed costs	0.00	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	0.00
Total other liabilities	\$825,069.00	\$0.00	\$825,069.00	\$0.00	\$(399,943.00)	\$425,126.00	
Disclose any unused lines of credit		0.00					

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GASB 88: Certain Disclosures Related to Debt

List any assets pledged as collateral for debt:

For each applicable bond or note, list the bond issue or identify the note (notes payable) and list the terms specified in debt agreements related to (a, b, and c below):

- a. Significant events of default with finance related consequences:
 - b. Significant termination events with finance related consequences:
 - c. Significant subjective acceleration clauses:
-

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest	Direct Placements		Total	
			Principal	Interest	Principal	Interest
2027	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2028	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2029	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2030	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2031	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2032	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2033	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2034	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2035	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2036	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2037	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2038	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2039	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2040	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2041	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2042	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2043	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2044	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2045	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2046	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2047	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2048	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2049	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2050	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2051	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2052	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2053	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2054	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2055	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2056	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2057	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2058	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2059	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2060	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2061	0.00	0.00	0.00	0.00	\$0.00	\$0.00
Premiums and Discounts	\$0.00		\$0.00		\$0.00	
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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SCHEDULE OF NOTES PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest	Direct Borrowing		Total	
			Principal	Interest	Principal	Interest
2027	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2028	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2029	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2030	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2031	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2032	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2033	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2034	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2035	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2036	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2037	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2038	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2039	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2040	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2041	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2042	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2043	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2044	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2045	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2046	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2047	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2048	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2049	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2050	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2051	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2052	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2053	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2054	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2055	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2056	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2057	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2058	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2059	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2060	0.00	0.00	0.00	0.00	\$0.00	\$0.00
2061	0.00	0.00	0.00	0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CONTINGENCIES AND COMMITMENTS

Description of Litigation	Date of Action	Amount
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CERTAIN RISK DISCLOSURES (GASB 102)

A concentration or constraint must meet the following criteria before disclosure is required:

- a. The concentration or constraint is known prior to the issuance of the financial statements.
 - b. The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact.
 - c. An event associated with the concentration or constraint that could cause a substantial impact has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are issued.
- Note: The State's financial statements are issued December 31 for the fiscal year ended June 30.

If the concentration or constraint meets all the criteria above, disclose the following for each concentration or constraint.
Note: If the agency has taken mitigation action that causes any of the disclosure criteria not to be met, no disclosure is required.

Do you have any concentrations or constraints to disclose that meet the criteria described above? No

List each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred, has begun to occur, or is more likely than not to begin to occur prior to December 31, 2027.

Disclose the actions taken by the entity to mitigate the risk.

List the concentration or constraint:

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UNUSUAL OR INFREQUENT ITEMS

This disclosure is for any inflows or outflows occurring during the fiscal year that are either unusual in nature or infrequent in occurrence. Unusual in nature means the underlying event or transaction possesses a high degree of abnormality and is clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the agency, taking into account the environment in which the agency operates. Infrequent in occurrence means the underlying event or transaction that occurred is not reasonably expected to recur in the foreseeable future, taking into account the environment in which the agency operates.

Does your agency have any material unusual or infrequent items? No

Describe each unusual or infrequent item separately and indicate whether the item was within the control of management. Also, describe inflows and outflows separately.

Example: The agency experienced a flood during March of 20X5 that was a catastrophic event outside the control of management. The agency incurred expenses to clean up flood damage in the amount of \$10 million. The agency also received \$2.5 million in grants from the federal government to assist with the cleanup effort.

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CHANGE IN ACCOUNTING ESTIMATE

Describe the nature of the change in accounting estimate and identify the account lines affected by the change.	If there is a change in measurement methodology, identify the reason for the change and why the new methodology is preferable (unless due to a GASB pronouncement).
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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

For each beginning net position restatement resulting from a correction of an error, select the SNP account and the SRECNP account affected by the error. Only material errors should be restated. Immaterial errors should be corrected through current period revenue or expenses, as applicable. In the description field, explain the nature of the error, and its correction, including periods affected by the error.

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Error Corrections	\$0.00

CHANGES IN ACCOUNTING PRINCIPLE

For each beginning net position restatement resulting from the application of a new accounting principle, select the SNP account and the SRECNP account that are affected by the change in accounting principle. In the description field explain the nature of the change in accounting principle and the reason for the change. If the change is due to the implementation of a new GASB pronouncement, identify the pronouncement that was implemented.

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Changes in Accounting Principle	\$0.00

CHANGES IN REPORTING ENTITY

Describe the nature and reason for the change to or within the financial reporting entity and list the effect (amount) on beginning net position.

Description	Effect on Beginning Net Position
	0.00
Total Restatement - Changes in Reporting Entity	\$0.00

CHANGES THAT HAVE NO EFFECT ON BEGINNING NET POSITION

For accounting changes that do not have an effect on beginning net position but result in reclassification in the financial statements, provide an explanation on the nature or reason for the change and the restated amount for each affected financial statement line.

Example: In the prior financial statements, there was a misclassification from an accounting error that resulted in an overstatement of accounts receivable and an understatement of cash of \$2 million.

Description:

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SUBMISSION

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

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

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

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



American Institute of Certified Public Accountants
Society of Louisiana CPAs

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

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey
Michael J. Caparotta, CPA

Angela M. Warden

Michael R. Choate, CPA
Kent A. Berger, CPA

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Louisiana Real Estate Commission
State of Louisiana
Office of the Governor
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Louisiana Real Estate Commission (the Commission), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Commission's basic financial statements, and have issued our report thereon dated July 27, 2026.

Report on Internal Control over Financial Reporting

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Griffin & Furman, LLC

Covington, Louisiana

July 27, 2026

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Schedule of Findings and Management Corrective Action Plan

June 30, 2026

Summary of Audit Results:

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

**LOUISIANA REAL ESTATE COMMISSION
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Status of Prior Year Findings

June 30, 2026

Not applicable.