

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

December 31, 2025

(With Independent Auditor's Report Thereon)

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

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Independent Auditor's Report

**To the Board of Commissioners of
Louisiana State Board of Medical Examiners
State of Louisiana
New Orleans, Louisiana**

Opinion

We have audited the accompanying financial statements of the business-type activities of the Louisiana State Board of Medical Examiners (the Board), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board'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 financial position of the business-type activities, as of December 31, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Board, 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board'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.

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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 opinion. 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 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, 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 Board'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 Board'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's proportionate share of net pension liability, schedule of employer's contributions, schedule of employer's proportionate share of total collective OPEB liability, and the notes to the 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 an opinion on the financial statements that collectively comprise the Board's financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2026, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Griffin & Furman, LLC

August 31, 2026

Covington, Louisiana

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Management's Discussion and Analysis

December 31, 2025

Management's Discussion and Analysis provides an overview of the financial activities of the Louisiana State Board of Medical Examiners (the Board) for the year ended December 31, 2025. This information should be considered in conjunction with the Board's basic financial statements and accompanying notes.

Overview of the Financial Statements

The Board is a component unit of the State of Louisiana and operates as a single enterprise fund. The Board's basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and accompanying notes. The financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

Condensed statements of net position as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Total other assets	\$ 11,352,289	10,101,530	1,250,759
Capital assets, net of depreciation	<u>6,143,527</u>	<u>6,230,565</u>	<u>(87,038)</u>
Total assets	17,495,816	16,332,095	1,163,721
Deferred outflows of resources	<u>1,166,980</u>	<u>1,387,692</u>	<u>(220,712)</u>
Total assets and deferred outflows of resources	<u>\$ 18,662,796</u>	<u>17,719,787</u>	<u>943,009</u>
Total current liabilities	\$ 610,668	476,778	133,890
Long-term liabilities	<u>13,590,487</u>	<u>16,033,085</u>	<u>(2,442,598)</u>
Total liabilities	14,201,155	16,509,863	(2,308,708)
Deferred inflows of resources	<u>2,362,922</u>	<u>2,530,357</u>	<u>(167,435)</u>
Total liabilities and deferred inflows of resources	16,564,077	19,040,220	(2,476,143)
Net Position			
Net investment in capital assets	6,205,810	6,230,565	(24,755)
Restricted	2,129,341	3,717,834	(1,588,493)
Unrestricted	<u>(6,236,432)</u>	<u>(11,268,832)</u>	<u>5,032,400</u>
Total net position	<u>\$ 2,098,719</u>	<u>(1,320,433)</u>	<u>3,419,152</u>

Condensed statements of activities for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Operating revenues	\$ 10,096,788	9,890,271	206,517
Operating expenses	<u>(6,786,826)</u>	<u>(8,205,143)</u>	<u>1,418,317</u>
Operating income	3,309,962	1,685,128	1,624,834

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Management's Discussion and Analysis

December 31, 2025

Non-operating revenues	<u>109,190</u>	<u>122,454</u>	<u>(13,264)</u>
Increase (decrease) in net position	3,419,152	1,807,582	1,611,570
Beginning net position	<u>(1,320,433)</u>	<u>(3,128,015)</u>	<u>1,807,582</u>
Ending net position	<u>\$ 2,098,719</u>	<u>(1,320,433)</u>	<u>3,419,152</u>

Analysis of Financial Position and Results of Operations

The Board's net position increased by approximately \$3.4 million during 2025, resulting in positive net position of approximately \$2.1 million at year-end compared with a deficit of approximately \$1.3 million at the end of 2024. The improvement was primarily attributable to positive operating results and decreases in the Board's pension and OPEB liabilities.

Operating revenues increased approximately \$207,000, primarily due to increased licenses, permits, and fees. Operating expenses decreased approximately \$1.4 million, primarily due to decreases in personnel services and related benefits and contractual services, partially offset by increased operating services. As a result, operating income increased from approximately \$1.7 million in 2024 to approximately \$3.3 million in 2025.

The Board's unrestricted net position improved from a deficit of approximately \$11.3 million to a deficit of \$6.2 million. The deficit continues to be significantly affected by the recognition of the Board's pension, OPEB, and compensated absence obligations.

Capital Assets and Long-Term Obligations

Depreciable and nondepreciable capital assets, excluding subscription asset, decreased from approximately \$6.2 million to \$6.1 million during 2025. Capital asset additions of approximately \$154,000 were offset by depreciation expense of approximately \$241,000.

The Board has no significant outstanding debt. Its significant long-term obligations consist primarily of compensated absences, pension, and OPEB liabilities. The net pension liability decreased by approximately \$2.1 million, while the OPEB liability decreased by approximately \$233,000 during 2025. Additional information regarding capital assets and long-term obligations is included in the notes to the financial statements.

Currently Known Facts, Decisions, or Conditions

Management is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the Board's financial position or results of operations in future periods beyond those matters already reflected in the accompanying financial statements and notes.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Management's Discussion and Analysis

December 31, 2025

Contacting the Board's Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Steve Young, Executive Director, at (225) 756-3404.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Statement of Net Position

December 31, 2025

<u>Assets</u>			
Current assets:			
Cash	\$	8,975,230	
Receivables, net		42,518	
Prepayments		142,917	
Total current assets			<u>9,160,665</u>
Noncurrent assets:			
Restricted cash		2,129,341	
Right-to-use asset - subscription asset, net		62,283	
Capital assets, net		6,143,527	
Total noncurrent assets			<u>8,335,151</u>
Total assets			17,495,816
<u>Deferred Outflows of Resources</u>			
Deferred outflows of resources related to OPEB		507,734	
Deferred outflows of resources related to pensions		659,246	
Total deferred outflows of resources			<u>1,166,980</u>
Total assets and deferred outflows of resources			<u>18,662,796</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable		126,228	
Accrued liabilities		139,067	
Other postemployment benefits liability		108,596	
Compensated absences		236,777	
Total current liabilities			610,668
Noncurrent liabilities:			
Compensated absences		1,770,011	
Other postemployment benefits liability		5,611,896	
Net pension liability		6,208,580	
Total long-term liabilities			<u>13,590,487</u>
Total liabilities			14,201,155
<u>Deferred Inflows of Resources</u>			
Deferred inflows of resources related to OPEB		827,573	
Deferred inflows of resources related to pensions		1,535,349	
Total deferred inflows of resources			<u>2,362,922</u>
<u>Net Position</u>			
Net investment in capital assets		6,205,810	
Restricted		2,129,341	
Unrestricted		(6,236,432)	
Total net position			<u>\$ 2,098,719</u>

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended December 31, 2025

Operating revenues:

Licenses, permits, and fees	\$ 10,064,836
Other income	<u>31,952</u>

Total operating revenues		10,096,788
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Operating expenses:

Personnel services and related benefits	3,962,956
Contractual services	726,112
Travel	71,346
Operating services	1,238,181
Supplies	46,414
Professional services	452,334
Amortization expense	48,868
Depreciation expense	<u>240,615</u>

Total operating expenses		<u>6,786,826</u>
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Operating income		3,309,962
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Non-operating revenues:

Interest income	<u>109,190</u>
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Total non-operating revenues		<u>109,190</u>
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Increase in net position		3,419,152
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Net position, beginning of year		<u>(1,320,433)</u>
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Net position, end of year		\$ <u><u>2,098,719</u></u>
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See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Statement of Cash Flows

For the Year Ended December 31, 2025

Cash flows from operating activities:

Cash received from customers	\$ 10,085,478	
Cash paid to suppliers for goods/services	(2,615,011)	
Cash paid to employees for services	(6,118,836)	
Net cash provided by operating activities		1,351,631

Cash flows from capital and related financing activities:

Purchase of capital assets	(153,577)	
Purchase of right-to-use assets - subscription based information technology	(20,122)	
Net cash used in capital and related financing activities		(173,699)

Cash flows from investing activities:

Interest income	109,190	
Net cash provided by investing activities		109,190
Net increase in cash and cash equivalents		1,287,122
Cash, beginning of year		9,817,449
Cash, end of year		\$ 11,104,571

Reconciliation of operating income to net cash provided by operating activities:

Operating income		\$ 3,309,962
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 240,615	
Amortization	48,868	
(Increase) decrease in assets:		
Receivables	(11,310)	
Prepayments	18,927	
Increase (decrease) in liabilities and deferred inflows/outflows:		
Accounts payable	(84,964)	
Accrued liabilities	(14,587)	
Compensated absences	132,601	
Net pension liability and related accounts	(1,538,799)	
Other postemployment benefits liability and related accounts	(749,682)	
Total adjustments		(1,958,331)
Net cash provided by operating activities		\$ 1,351,631

Reconciliation to the Statement of Net Position:

Cash	\$ 8,975,230	
Restricted cash	2,129,341	
Total cash		\$ 11,104,571

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Notes to the Financial Statements

December 31, 2025

(1) Introduction

The Louisiana State Board of Medical Examiners (Board) is a component unit of the State of Louisiana created within the Louisiana Department of Health, as provided by Louisiana Revised Statute (R.S.) 37:1261-1292. The Board is charged with the responsibility of administering practice acts providing for the licensure of Doctors of Medicine, Doctors of Osteopathy, Doctor of Podiatry, Physician Assistants, Acupuncturists, Acupuncturists Assistants, Occupational Therapists, Occupational Therapy Assistants, Respiratory Therapists, Respiratory Therapist Technicians, Midwives, Clinical Exercise Physiologists, Athletic Trainers, Radiological Technologists, and Clinical Laboratory Personnel. Operations of the Board are funded entirely through self-generated revenues. As to all professions over which it has jurisdiction, the Board's principal functions are essentially the same and include the following:

- **Licensing/Certification** - The Board examines applicants for licensure or certification to validate minimum competence for practice by verifying that they possess the educational and other credentials prescribed by statute and Board rules, investigation of the applicant's licensure status and history in other jurisdictions, and by examination. Licenses/certifications are generally renewed annually (some biannually) pursuant to reverification of certain requirements and conditions. Renewals for some categories are on a calendar year basis, but the majority is based on a birth month schedule.
- **Regulations** - Pursuant to its rulemaking authority under the practices acts it administers, and in accordance with the Administrative Procedures Act, the Board promulgates procedural rules implementing its licensing/certification authority and substantive rules regulating practice.
- **Enforcement** - The Board investigates consumer, patient, and licensee complaints and alleged and indicated violations of the several practices acts and, upon a finding of probable cause, initiates and conducts administrative disciplinary proceedings to adjudicate whether legal cause exists for the suspension, revocation or imposition of probationary terms and/or conditions on any license or certification. The Board's disciplinary authority includes limited authority to impose monetary fines and obtain reimbursement of costs and attorney fees incurred by the Board in the investigation and prosecution of licensees. The Board also possesses and employs authority to take action against unauthorized practitioners by means of civil injunctive proceedings.
- **Advisory Rulings** - The Board serves an informational and advisory role to the public, its constituent licensees and State government by providing declaratory rulings, advisory opinions and Statements of Position on various medical/legal issues within its jurisdiction.
- **Other Activities** - The Board participates in a Physicians Health Program, jointly organized and conducted with the Louisiana State Medical Society, to identify physically or mentally impaired (or potentially impaired) physicians toward securing a timely treatment and rehabilitation for the protection of the public.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Notes to the Financial Statements

December 31, 2025

The Board is made up of 10 voting members composed of nine physicians and one consumer member. Board members are appointed to four-year terms by the governor and subject to Senate confirmation as follows:

- Two members from a list of names submitted by the Louisiana State Medical Society. One of the members appointed shall practice in a parish or municipality with a population of less than twenty thousand people.
- One member from a list of names submitted by the Louisiana State University Health Sciences Center at New Orleans. At least every other member appointed from a list provided shall be a minority appointee.
- One member from a list of names submitted by the Louisiana State University Health Sciences Center at Shreveport. At least every other member appointed from a list provided shall be a minority appointee.
- One member from a list of names submitted by the Tulane Medical School.
- Two members from a list submitted by the Louisiana Medical Association.
- One member from a list submitted by the Louisiana Academy of Family Practice Physicians.
- One member from a list submitted by the Louisiana Hospital Association. At least every other member appointed from a list shall be a minority appointee.
- One consumer member. At least every other consumer member appointed to the Board shall be a minority appointee.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with such principles.

(b) Financial Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the state of Louisiana. The Board is considered a component unit (enterprise fund) of the state of Louisiana because the state has financial accountability over the Board in that the governor appoints the board members and that the Board is placed within the Louisiana Department of Health. The accompanying financial statements include only the operations of the Board. Annually, the state of Louisiana issues its Annual Comprehensive Financial Report, which includes the activity of the Board. The basic financial statement is issued by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy, and audited by the Louisiana Legislative Auditor.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Notes to the Financial Statements

December 31, 2025

(c) Basis of Accounting

For financial reporting purposes, the Board is considered a special-purpose government engaged only in business-type activities. All activities of the Board are accounted for with a single proprietary (enterprise) fund. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Board are accounted for by a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred.

(d) Assets, Liabilities, and Net Position

Cash and Investments

For the purpose of the Statement of Net Position and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Capital Assets

Capital assets are recorded at cost at their date of acquisition or their estimated acquisition at the date of donation. For movable property, the Board's capitalization policy includes all items with a cost of \$5,000 or more. Depreciation is computed using the straight-line method over the estimated useful life of the assets, 40 years for buildings, and generally three to 10 years for furniture, fixtures, and equipment. Repairs and maintenance items are expensed as incurred.

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The Board computes the liability in accordance with GASB Statement No. 101, *Compensated Absences*, which was effective for fiscal years beginning after December 15, 2023.

Noncurrent Liabilities

Noncurrent liabilities consist of compensated absences and pension and other postemployment benefits. 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 LASERS, and additions to/deductions from the retirement systems' fiduciary net position have been determined on

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
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Notes to the Financial Statements

December 31, 2025

the same basis as they are reported by the retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Synthetic guaranteed investment contracts are reported at contract value. All other investments are reported at fair value.

Net Position

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

Net Investment in Capital Assets - This category consists of capital assets and right-to-use assets, net of accumulated depreciation and amortization, reduced by the outstanding principal of debt and other liabilities attributable to the acquisition, construction, or improvement of those assets and adjusted for related deferred outflows and inflows of resources.

Restricted - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in determination of net investment in capital assets or the restricted components of net position.

Use of Estimates

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

(e) Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. The Board's principal operating revenues consist of licenses, permits, and fees.

(f) Adoption of New Accounting Pronouncement

In fiscal year 2025, the Board implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new and revised requirements related to management's discussion and analysis, unusual or infrequent items, the classification and presentation of operating and nonoperating revenues and expenses of proprietary funds, major component unit information, and budgetary comparison information. Implementation

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Notes to the Financial Statements

December 31, 2025

of the Statement resulted in changes to the presentation of management's discussion and analysis and the Board's proprietary fund financial statements but had no effect on beginning net position.

(3) Deposits with Financial Institutions and Investments

The following is a summary of cash at December 31, 2025:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits	\$ <u>11,104,571</u>	\$ <u>11,542,958</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 board.

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

At December 31, 2025, the Board reported restricted cash of \$2,129,341. Certain amounts collected from licensees are restricted by Louisiana law for specified purposes. Of each applicable license fee collected, \$7 is restricted for the administration of Continuing Medical Education programs, including related personnel and other administrative costs, and \$25 is restricted for the Physicians Health Program, which provides assistance to physicians who may be experiencing substance abuse or other impairment issues. Amounts collected for these purposes that had not been expended for their legally designated purposes as of December 31, 2025, are reported as restricted cash.

(4) Capital Assets

A summary of changes in the Board's capital assets, excluding subscription assets disclosed in Note 8, for the fiscal year ended December 31, 2025 is as follows:

	<u>Balance 12/31/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2025</u>
Non-Depreciable Assets				
Land	\$ 100,000	-	-	100,000
Construction in Progress	<u>223,173</u>	<u>135,577</u>	<u>-</u>	<u>358,750</u>
Total capital assets, not being depreciated	<u>323,173</u>	<u>135,577</u>	<u>-</u>	<u>458,750</u>
 Building	 882,679	 -	 -	 882,679
Building improvements	8,584,689	-	-	8,584,689
Furniture and equipment	509,021	18,000	-	527,021

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Vehicles	<u>17,131</u>	<u>-</u>	<u>-</u>	<u>17,131</u>
Total capital assets, being depreciated	<u>9,993,520</u>	<u>18,000</u>	<u>-</u>	<u>10,011,520</u>
Less: accumulated depreciation	(4,086,128)	(240,615)	-	(4,326,743)
Net capital assets, being depreciated	<u>5,907,392</u>	<u>(222,615)</u>	<u>-</u>	<u>5,684,777</u>
Net capital assets	<u>\$6,230,565</u>	<u>(87,038)</u>	<u>-</u>	<u>6,143,527</u>

The Board recorded depreciation expense of 240,615 for the year ended December 31, 2025.

(5) Pensions

Plan Description

Employees of the Board 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.

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

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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 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.

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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 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

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are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, 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 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.

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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 Board's contractually required composite contribution rates for the year ended December 31, 2025 were 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 Board were \$1,162,747 for the year ended December 31, 2025.

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

At December 31, 2025, the Board reported a liability of \$6,208,580 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 Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Board's proportion was 0.13772%, which was a decrease of 0.01523% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Board recognized pension benefit of (\$922,430), including the effect of amortizing changes in proportion and differences between the Board's contributions and its proportionate share of contributions.

At December 31, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 86,239	-
Difference between expected and actual return on investments	-	(1,063,226)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(462,432)

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Difference between proportionate share of employer contributions and actual contribution	-	(9,668)
Employer contributions subsequent to measurement date	<u>573,007</u>	<u>-</u>
	<u>\$ 659,246</u>	<u>(1,535,349)</u>

\$573,007 reported as deferred outflows of resources related to pensions resulting from the Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

December 31, 2026	\$ (336,763)
December 31, 2027	\$ (525,786)
December 31, 2028	\$ (404,935)
December 31, 2029	\$ (181,626)

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.

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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%

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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 as of June 30, 2025 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	\$ <u>9,450,652</u>	\$ <u>6,208,580</u>	\$ <u>4,049,647</u>

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 Annual Comprehensive Financial Report at www.lasersonline.org.

Payables to the Pension Plan

As of December 31, 2025, the Board had no employee and employer contributions that were due to the pension plan.

(6) Other Postemployment Benefits

Plan Description: The Board's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the Board 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

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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.

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:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access

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

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

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

<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%

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Monthly rates effective January 1, 2025 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>	<u>Medicare Spouse</u>
People's MA HMO	\$	N/A	N/A	N/A	N/A	175	N/A	175
BCBS Pelican HRA	\$	581	1,013	828	218	351	947	280
BCBS Mag. Local Plus	\$	930	1,735	1,329	363	574	1,524	455
BCBS Magnolia OA	\$	966	1,798	1,377	362	585	1,576	466
BCBS MA HMO Reg. 1	\$	N/A	N/A	N/A	N/A	204	N/A	204
BCBS MA HMO Reg. 2	\$	N/A	N/A	N/A	N/A	232	N/A	232
BCBS MA HMO Reg. 3-4	\$	N/A	N/A	N/A	N/A	208	N/A	208
BCBS MA HMO Reg. 5-8	\$	N/A	N/A	N/A	N/A	259	N/A	259
BCBS MA HMO Reg. 9	\$	N/A	N/A	N/A	N/A	244	N/A	244
Humana MA HMO Reg. 1	\$	N/A	N/A	N/A	N/A	83	N/A	83
Humana MA HMO Reg. 2	\$	N/A	N/A	N/A	N/A	229	N/A	229
Humana MA HMO Reg. 3	\$	N/A	N/A	N/A	N/A	193	N/A	193
Humana MA HMO Reg. 4	\$	N/A	N/A	N/A	N/A	194	N/A	194
Humana MA HMO Reg. 5	\$	N/A	N/A	N/A	N/A	190	N/A	190
Humana MA HMO Reg. 6	\$	N/A	N/A	N/A	N/A	242	N/A	242
Humana MA HMO Reg. 7	\$	N/A	N/A	N/A	N/A	252	N/A	252
Humana MA HMO Reg. 8	\$	N/A	N/A	N/A	N/A	252	N/A	252
Humana MA HMO Reg. 9	\$	N/A	N/A	N/A	N/A	227	N/A	227

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 December 31, 2025, the Board reported a liability of \$5,720,492 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 Board's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2025, the Board's proportion was 0.0757%.

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%

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

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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).

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

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
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Notes to the Financial Statements

December 31, 2025

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.

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.

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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</u> <u>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%

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%

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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%

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.

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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.

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.

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 Board, as well as what the Board'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.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Notes to the Financial Statements

December 31, 2025

As of December 31, 2025:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Proportionate Share of the Total Collective OPEB liability	\$ <u>6,550,716</u>	<u>5,720,492</u>	<u>5,039,187</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 Board, as well as what the Board's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates one percentage lower and one percentage higher than the current healthcare cost trend rates.

As of December 31, 2025:

	1% Decrease (7.25%)	Current Healthcare Cost Trend Rate (8.25%)	1% Increase (9.25%)
Proportionate Share of the Total Collective OPEB liability	\$ <u>5,016,459</u>	<u>5,720,492</u>	<u>6,586,938</u>

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

For the year ended December 31, 2025, the Board recognized an OPEB expense of (\$109,871). At December 31, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 261,980	(553,441)
Changes in experience	132,218	-
Changes in proportionate share of collective OPEB expense	4,940	(118,586)
Difference in proportionate share of employer payments and actual payments	-	(155,546)
Contributions made subsequent to measurement date	<u>108,596</u>	<u>-</u>
	<u>\$ 507,734</u>	<u>(827,573)</u>

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December 31, 2025

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:

December 31, 2026	\$ (264,182)
December 31, 2027	\$ (42,588)
December 31, 2028	\$ (64,076)
December 31, 2029	\$ (57,589)

(7) Long-Term Obligations

Long-term obligation activity for the year ended December 31, 2025 was as follows:

	<u>Type of Liability</u>		
	<u>Compensated absences</u>	<u>Other post- employment benefits payable</u>	<u>Net pension liability</u>
Balance at December 31, 2024	\$ 1,874,187	5,953,073	8,317,757
Additions	446,807	-	-
(Reductions)	(314,206)	-	-
Net change	<u>-</u>	<u>(232,581)</u>	<u>(2,109,177)</u>
Balance at December 31, 2025	\$ <u>2,006,788</u>	<u>5,720,492</u>	<u>6,208,580</u>
Amounts due within one year	\$ <u>236,777</u>	<u>108,596</u>	<u>-</u>

(8) Subscription Based Information Technology Arrangements (SBITA)

In 2022, the Board entered into a 5-year contract with an IT software company to use its applications at a total contract amount of \$227,572. The entire contract amount was paid in 2022. The term runs from January 2022 through December 2026. As the entire subscription amount was paid up front, there is no corresponding future obligation and no remaining payments to discount or recognize. Additionally in 2025, the Board entered into a 3-year contract with an IT software company to use its application at a total contract amount of \$20,122. The entire contract amount was paid in 2025. The term runs from June 2025 through June 2028. As the entire subscription amount was paid up front, there is no corresponding future obligation and no remaining payments to discount or recognize. The subscription assets will be amortized over the subscription terms. As of December 31, 2025, the Board recognized right-to-use assets of \$202,180, net of accumulated amortization, of \$139,897 totaling \$62,283.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Notes to the Financial Statements

December 31, 2025

(9) Risk Management

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by the state's general fund appropriations. There is no pending litigation or claim against the Board at December 31, 2025, which if asserted, in the opinion of the Board's legal advisors, would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

(10) Evaluation of Subsequent Events

The Board has evaluated subsequent events through August 31, 2026, and has determined that there are no subsequent events that require disclosure in the financial statements.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years

	<u>2016</u>	<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>
Employer's proportion of net pension liability	0.159%	0.116%	0.121%	0.136%	0.140%	0.153%	0.172%	0.156%	0.153%	0.138%
Employer's proportionate share of net pension liability	8,316,638	8,162,649	8,255,181	9,858,298	11,559,251	8,433,742	12,971,761	10,410,445	8,317,757	6,208,580
Employer's covered-employee payroll	1,991,220	2,162,116	2,342,534	2,706,643	2,931,371	3,238,640	3,649,882	3,529,782	3,683,154	3,502,550
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	418%	378%	352%	364%	394%	260%	355%	295%	226%	177%
Plan fiduciary net position as a percentage of the total pension liability	58%	58%	63%	64%	63%	58%	73%	64%	68%	68%

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

See accompanying notes to required supplementary information.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Schedule of Employer's Pension Contributions

Last 10 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>
2016	756,599	756,599	-	2,072,889	36.5%
2017	846,544	846,544	-	2,276,469	37.2%
2018	967,030	967,030	-	2,516,235	38.4%
2019	1,101,604	1,068,161	33,443	2,739,883	39.0%
2020	1,175,480	1,245,208	(69,728)	3,068,312	40.6%
2021	1,307,363	1,226,886	80,477	3,192,655	38.4%
2022	1,474,552	1,386,054	88,498	3,481,450	39.8%
2023	1,457,800	1,433,845	23,955	3,496,033	41.0%
2024	1,279,528	1,331,396	(51,868)	3,493,288	38.1%
2025	1,161,095	1,162,747	(1,652)	3,382,011	34.4%

The schedule presents the Board's contractually required and actual contributions for each year

See accompanying notes to required supplementary information.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

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

Measurement Date: June 30, 2018:

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

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

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

Last 10 Fiscal Years

Measurement Date: June 30, 2019:

1. In accordance with the Board's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.7% to 7.60%.
2. The Board 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 increase assumptions decreased by .25%.

Measurement Date: June 30, 2020:

1. In accordance with the Board's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.60% to 7.55%.
2. The Board 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 Board's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.55% to 7.4%.

Measurement Date: June 30, 2022:

1. In accordance with the Board's adopted 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%.

Measurement Date: June 30, 2025:

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

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

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

Last Ten Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Employer's proportion of total collective OPEB liability	0.0632%	0.0671%	0.0704%	0.0779%	0.0785%	0.0777%	0.0762%	0.0757%
Employer's proportionate share of total collective OPEB liability	\$ 5,392,010	5,184,558	5,828,335	7,137,124	5,294,592	5,552,072	5,953,073	5,720,492
Employer's covered-employee payroll	\$ 2,524,819	2,221,737	2,489,837	2,777,329	3,088,958	3,055,937	3,261,905	3,382,050
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	213.6%	233.4%	234%	257%	171%	182%	183%	169%
Measurement date	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025

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

See accompanying notes to required supplementary information.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
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, 2019:

1. The discount rate was decreased from 3.5% to 2.21%.

Measurement Date: July 1, 2020:

1. The discount rate was increased from 2.21% to 2.66%.
2. Mortality assumptions were changed from the RP-2014 table without projection to the following:
 - a. For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.
 - b. For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.
 - c. For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.
3. Healthcare cost trend rate assumptions that were changed from an expected rate of increase in medical cost is based on an annual rate of 5.5% for the first 10 years and 4.5% thereafter to the assumptions described above.
4. Termination rate assumptions were changed from an age-related turnover scale based on actual experience as described by administrative staff (approximately 13%) to rates consistent with pension valuation assumptions based on age and years of service (rates ranging from 50% to 5%).
5. Life insurance participation rates for future retirees was decreased from 52% to 36%.
6. Rates of salary increases were changed from an annual salary increase of 4% to the following:

Years of Service	Increase
0	12.80%
5	4.90%
10	3.60%
15	3.20%
20	3.00%
25	3.00%
30	3.00%

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
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: July 1, 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: July 1, 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: July 1, 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.**

Measurement Date: July 1, 2024:

- 1. The discount rate decreased from 4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index as of July 1, 2023 to 3.93% based on the Bond Buyer 20 Index as of July 1, 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: July 1, 2025

- 1. The discount rate increased from 3.93% based on the Bond Buyer 20 Index as of July 1, 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.**

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

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

Last 10 Fiscal Years *

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 have been no changes in benefit terms.

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 7-15-26 - Louisiana State Board of Medical Examiners
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STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	8,975,230.00
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)	42,518.00
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	142,917.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$9,160,665.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:	
RESTRICTED CASH - NONCURRENT	2,129,341.00
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	100,000.00
BUILDING & IMPROVEMENTS	
BUILDINGS AND IMPROVEMENTS (GROSS)	9,467,368.00
BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION)	(3,802,624.00)
MACHINERY & EQUIPMENT	
MACHINERY AND EQUIPMENT (GROSS)	544,152.00

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MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(524,119.00)
INFRASTRUCTURE	
INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
SOFTWARE AND OTHER INTANGIBLE ASSETS	
SOFTWARE AND OTHER INTANGIBLE ASSETS (GROSS)	0.00
SOFTWARE AND OTHER INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	0.00
CONSTRUCTION IN PROGRESS	358,750.00
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)	247,694.00
SBITA (ACCUMULATED AMORTIZATION)	(185,411.00)
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	\$8,335,151.00
TOTAL ASSETS	\$17,495,816.00

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	507,734.00
PENSION-RELATED	659,246.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$1,166,980.00

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	0.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	126,228.00
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	139,067.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	236,777.00
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	108,596.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$610,668.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	1,770,011.00
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	5,611,896.00
NET PENSION LIABILITY	6,208,580.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL NONCURRENT LIABILITIES	\$13,590,487.00
TOTAL LIABILITIES	\$14,201,155.00

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	827,573.00
PENSION-RELATED	1,535,349.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$2,362,922.00

NET POSITION:

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NET INVESTMENT IN CAPITAL ASSETS	6,205,810.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
UNEMPLOYMENT COMPENSATION	0.00
ENDOWMENTS - EXPENDABLE	0.00
ENDOWMENTS - NONEXPENDABLE	0.00
DEBT SERVICE	0.00
OTHER PURPOSES	2,129,341.00
UNRESTRICTED	\$(6,236,432.00)
TOTAL NET POSITION	\$2,098,719.00

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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	10,064,836.00
OPERATING GRANTS AND CONTRACTS	0.00
OTHER REVENUE	31,952.00
TOTAL OPERATING REVENUES	\$10,096,788.00

OPERATING EXPENSES:

COST OF SALES & SERVICES	0.00
ADMINISTRATIVE	5,201,137.00
DEPRECIATION	240,615.00
AMORTIZATION	48,868.00
UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund)	0.00
OTHER EXPENSES	1,296,206.00
TOTAL OPERATING EXPENSES	\$6,786,826.00

OPERATING INCOME (LOSS) \$3,309,962.00

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 \$3,309,962.00

OTHER NONOPERATING REVENUES(EXPENSES)

GAIN ON SALE OF CAPITAL ASSETS	0.00
LOSS ON SALE OF CAPITAL ASSETS	0.00
NET INVESTMENT EARNINGS	109,190.00
INTEREST EXPENSE AND OTHER FINANCING COSTS	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)	\$109,190.00

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INCOME (LOSS) BEFORE UNUSUAL OR INFREQUENT ITEMS	\$3,419,152.00
UNUSUAL OR INFREQUENT ITEMS	
INFLOWS	0.00
OUTFLOWS	0.00
TOTAL UNUSUAL OR INFREQUENT ITEMS	\$0.00
CHANGE IN NET POSITION	\$3,419,152.00
NET POSITION - BEGINNING	\$(1,320,433.00)
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	\$2,098,719.00
<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	10,085,478.00
RECEIPTS FROM INTERFUND SERVICES PROVIDED	0.00
RECEIPTS FROM INTERFUND REIMBURSEMENTS	0.00
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	0.00
OTHER OPERATING RECEIPTS	0.00
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(2,615,011.00)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00
PAYMENTS TO EMPLOYEES FOR SERVICES	(6,118,836.00)
PAYMENTS FOR INTERFUND SERVICES USED	0.00
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	0.00
OTHER OPERATING PAYMENTS	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$1,351,631.00

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	(153,577.00)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON CAPITAL DEBT	0.00
PAYMENTS FOR INTANGIBLE RIGHT TO USE ASSETS	(20,122.00)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$(173,699.00)

CASH FLOWS FROM INVESTING ACTIVITIES:

PURCHASES OF INVESTMENTS	0.00
PROCEEDS FROM THE SALE OF INVESTMENTS	0.00
INTEREST AND DIVIDENDS	109,190.00
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$109,190.00

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NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	\$1,287,122.00
--	----------------

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	9,817,449.00
--	--------------

RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	0.00
--	------

CASH & CASH EQUIVALENTS AT END OF YEAR	\$11,104,571.00
--	-----------------

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

OPERATING INCOME (LOSS)	\$3,309,962.00
-------------------------	----------------

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

DEPRECIATION/AMORTIZATION	289,483.00
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PROVISION FOR UNCOLLECTIBLE ACCOUNTS	0.00
--------------------------------------	------

NONEMPLOYER CONTRIBUTING ENTITY REVENUE	0.00
---	------

OTHER	0.00
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(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	(11,310.00)
--	-------------

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

(INCREASE)/DECREASE IN PREPAYMENTS	18,927.00
------------------------------------	-----------

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

(INCREASE)/DECREASE IN OTHER ASSETS	0.00
-------------------------------------	------

(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	0.00
--	------

(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	0.00
--	------

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

INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	(99,551.00)
--	-------------

INCREASE/(DECREASE) IN COMPENSATED ABSENCES	132,601.00
---	------------

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

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

INCREASE/(DECREASE) IN OPEB LIABILITY	0.00
---------------------------------------	------

INCREASE/(DECREASE) IN NET PENSION LIABILITY	(1,538,799.00)
--	----------------

INCREASE/(DECREASE) IN OTHER LIABILITIES	0.00
--	------

INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	(749,682.00)
---	--------------

INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	0.00
---	------

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

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$1,351,631.00
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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	11,542,958.00	0.00	0.00	11,292,958.00
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	\$11,542,958.00	\$0.00	\$0.00	\$11,292,958.00

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 In - Restricted for Capital Assets	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	100,000.00	0.00	\$100,000.00	0.00	0.00	\$100,000.00
Construction in progress	223,173.00	0.00	\$223,173.00	135,577.00	0.00	\$358,750.00
Total capital assets not depreciated	\$323,173.00	\$0.00	\$323,173.00	\$135,577.00	\$0.00	\$458,750.00
Capital Assets being Depreciated:						
Buildings	9,467,368.00	0.00	\$9,467,368.00	0.00	0.00	\$9,467,368.00
Accumulated depreciation	(3,566,239.00)	0.00	\$(3,566,239.00)	(236,385.00)	0.00	\$(3,802,624.00)
Total Buildings	\$5,901,129.00	\$0.00	\$5,901,129.00	\$(236,385.00)	\$0.00	\$5,664,744.00
Machinery & equipment	526,152.00	0.00	\$526,152.00	18,000.00	0.00	\$544,152.00
Accumulated depreciation	(519,889.00)	0.00	\$(519,889.00)	(4,230.00)	0.00	\$(524,119.00)
Total Machinery & Equipment	\$6,263.00	\$0.00	\$6,263.00	\$13,770.00	\$0.00	\$20,033.00
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	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 Intangibles	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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	227,572.00	0.00	\$227,572.00	20,122.00	0.00	\$247,694.00
Accumulated Amortization	(136,543.00)	0.00	\$(136,543.00)	(48,868.00)	0.00	\$(185,411.00)
Total SBITAs	\$91,029.00	\$0.00	\$91,029.00	\$(28,746.00)	\$0.00	\$62,283.00
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	\$5,998,421.00	\$0.00	\$5,998,421.00	\$(251,361.00)	\$0.00	\$5,747,060.00

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 7-15-26 - Louisiana State Board of Medical Examiners

PREPARED BY: Michael Caparotta

PHONE NUMBER: 985-276-9005

EMAIL ADDRESS: mcaparotta@griffinandco.com

SUBMITTAL DATE: 09/03/2026 03:26 PM

Total Capital Assets (Depreciable and Non-depreciable), net	\$6,321,594.00	\$0.00	\$6,321,594.00	\$(115,784.00)	\$0.00	\$6,205,810.00
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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?

(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	573,005.00	3,382,011.00	570,658.00
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.	108,596.00
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Covered Employee Payroll for the PRIOR fiscal year (not including related benefits)	3,382,050.00
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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].
- Yes
- 1b. Is your agency using LeaseController provided by Deloitte/OSRAP for its long-term SBITA calculations and reporting?
- No
- 1c. Provide the following information on your agency's long-term SBITAs reported under GASB 96 that exceed the materiality threshold. For agency's using LeaseController, all SBITAs identified as "material to ACFR" or "material to stand-alone only" should be included below.

Lease Controller ID # (if applicable)	Brief description of SBITA asset (only needed if the SBITAs are not in Lease Controller)	SBITA asset value, net of accumulated amortization, at year-end	Total SBITA liability at year-end	Current fiscal year actual base SBITA payments (principal and interest)	Current fiscal year actual payments (expenses) that were not included in the initial measurement of the SBITA liability [e.g. variable payments and termination penalties]	Brief description of current year payments (expenses) that were not included in the initial measurement of the SBITA liability (e.g., portion of SBITA payments based on CPI)
0	5 year subscription with CMA Technologies	45,514.00	0.00	0.00	0.00	
0	3 year susbscription with teamviewer	16,768.00	0.00	0.00	0.00	
Total		\$62,282.00	\$0.00	\$0.00	\$0.00	

- 2a. Have any of the SBITA assets reported above been impaired during the current fiscal year?
- No
- 2b. Provide the LeaseController ID (if applicable) and a brief description of the impairment, the loss recognized on the SBITA asset during the period, and any change in the related SBITA liability as a result of the impairment.
- N
- 3a. Has your agency entered into any long-term SBITAs prior to June 30 that are over \$100,000, but are excluded from above because the SBITA has not commenced as of year-end?
- No
- 3b. Provide a description of the SBITA contract and the total amount of commitments (total fixed, fixed in-substance, and probable payments).

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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>	3,087,366.00
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	2,006,787.90
Additional liabilities for K-time balances and other compensated absences, if applicable and material	0.00
Total estimated liability at 6/30/2026	2,006,787.90
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>	236,777.00
Non-current portion estimate:	1,770,010.90

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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	1,874,187.00	0.00	\$1,874,187.00	132,601.00	0.00	\$2,006,788.00	236,777.00
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	\$1,874,187.00	\$0.00	\$1,874,187.00	\$132,601.00	\$0.00	\$2,006,788.00	
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

**ANNUAL FISCAL REPORT (AFR)
FOR 2026**

AGENCY: 7-15-26 - Louisiana State Board of Medical Examiners
PREPARED BY: Michael Caparotta
PHONE NUMBER: 985-276-9005
EMAIL ADDRESS: mcaparotta@griffinandco.com
SUBMITTAL DATE: 09/03/2026 03:26 PM

CONTINGENCIES AND COMMITMENTS

Description of Litigation	Date of Action	Amount
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ANNUAL FISCAL REPORT (AFR)
FOR 2026

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SUBMITTAL DATE: 09/03/2026 03:26 PM

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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SUBMITTAL DATE: 09/03/2026 03:26 PM

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:

ANNUAL FISCAL REPORT (AFR) FOR 2026

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SUBMITTAL DATE: 09/03/2026 03:26 PM

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.



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

To the Board of Commissioners of
Louisiana State Board of Medical Examiners
State of Louisiana
New Orleans, 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 State Board of Medical Examiners (the Board), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated August 31, 2026.

Report on Internal Control over Financial Reporting

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

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 Board's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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4900 Cypress St. #15
West Monroe, LA 71291
Phone (318) 397-2472

New Orleans
525 St Charles Ave,
New Orleans, LA 70130
Phone (504) 299-3434

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

Covington, Louisiana

August 31, 2026

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Schedule of Findings and Management's Corrective Action Plan

December 31, 2025

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 STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA**

Status of Prior Year Findings

December 31, 2025

Not Applicable.