
**Louisiana State Board of Nursing
Department of Health
State of Louisiana**

Financial Statements

June 30, 2022

**Louisiana State Board of Nursing
State of Louisiana
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Annual Fiscal Report

Independent Auditor's Report

To the Board Members of the
Louisiana State Board of Nursing
Department of Health
Baton Rouge, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities of the Louisiana State Board of Nursing, a component unit of the State of Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Louisiana State Board of Nursing's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana State Board of Nursing, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Louisiana State Board of Nursing, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Louisiana State Board of Nursing's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Louisiana State Board of Nursing'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 Louisiana State Board of Nursing'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 on pages 4 through 9, schedule of employer's proportionate share of the total collective OPEB liability on page 36, the schedule of employer's share of net pension liability at page 37; and schedule of employer's pension contributions at page 38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the

To the Board Members of the
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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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana State Board of Nursing's basic financial statements. The accompanying annual fiscal report beginning at page 46, as required by the State of Louisiana Division of Administration, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying annual fiscal report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, on our consideration of the Louisiana State Board of Nursing's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Louisiana State Board of Nursing's internal control over financial reporting and compliance.



Covington, Louisiana
October 31, 2022

Management's Discussion and Analysis

**Louisiana State Board of Nursing
Department of Health
Management’s Discussion and Analysis**

Introduction

Management's Discussion and Analysis (“MD&A”) of the Louisiana State Board of Nursing's (the “Board”) financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Board's financial statements, which begin on page 10.

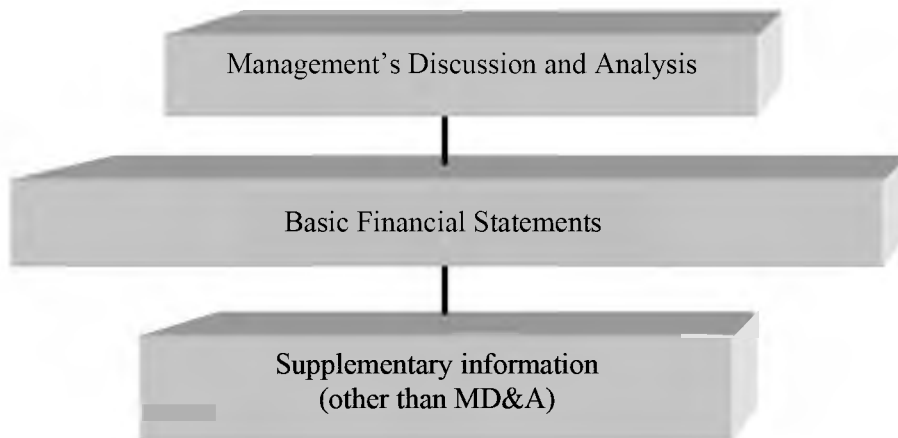
Financial Highlights

The Board's assets exceeded its liabilities at the close of fiscal year 2022 by \$6,407,273 and net position increased by \$1,486,278 due to expenses exceeding revenues.

The Board's total revenue increased \$183,063 or approximately 2.49%, and the net results from activities increased by \$1,558,875 or approximately 2,147% from last fiscal year.

Overview of the Financial Statements

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



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

Louisiana State Board of Nursing
Department of Health
Management's Discussion and Analysis

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

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

Basic Financial Statements

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

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

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

Statement of Cash Flows

This statement presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method).

Louisiana State Board of Nursing
Department of Health
Management's Discussion and Analysis

Financial Analysis of the Entity

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

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% Variance</u>
Assets				
Current assets	\$ 23,802,802	\$ 20,769,933	\$ 3,032,869	14.60%
Capital assets, net	4,899,787	5,089,274	(189,487)	-3.72%
	<u>28,702,589</u>	<u>25,859,207</u>	<u>2,843,382</u>	<u>11.00%</u>
Deferred outflows of resources	3,346,936	4,917,386	(1,570,450)	-31.94%
	<u>\$ 32,049,525</u>	<u>\$ 30,776,593</u>	<u>\$ 1,272,932</u>	<u>4.14%</u>
Liabilities				
Current liabilities	\$ 5,381,236	\$ 3,463,317	\$ 1,917,919	55.38%
Noncurrent liabilities	16,914,080	21,069,295	(4,155,215)	-19.72%
	<u>22,295,316</u>	<u>24,532,612</u>	<u>(2,237,296)</u>	<u>-9.12%</u>
Deferred inflows of resources	3,253,030	1,229,080	2,023,950	164.67%
Net Position				
Net investment in capital assets	4,899,787	5,089,274	(189,487)	-3.72%
Unrestricted	1,601,392	(74,373)	1,675,765	2253.19%
	<u>6,501,179</u>	<u>5,014,901</u>	<u>1,486,278</u>	<u>29.64%</u>
	<u>\$ 32,049,525</u>	<u>\$ 30,776,593</u>	<u>\$ 1,272,932</u>	<u>4.14%</u>

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

Current assets increased by \$3,032,869, approximately 14.60% from June 30, 2021 to June 30 2022, due primarily from an increase in cash. Current liabilities increased by \$1,917,919 from June 30, 2021 to June 30, 2022 mainly due to annual fluctuations in unearned license fees. Noncurrent liabilities decreased by \$4,155,215 from June 30, 2021 to June 30, 2022 mainly due to changes in net pension liability valuations.

Louisiana State Board of Nursing
Department of Health
Management’s Discussion and Analysis

The condensed Statements of Revenues, Expenses, and Changes in Net Position consist of the following for the year ended June 30:

	2022	2021	Variance	% Variance
Operating revenues	\$ 8,812,886	\$ 8,582,113	\$ 230,773	2.69%
Operating expenses	7,333,094	8,708,906	(1,375,812)	-15.80%
	1,479,792	(126,793)	1,606,585	-1267.09%
Non-operating revenues	6,486	54,196	(47,710)	-88.03%
Change in net position	1,486,278	(72,598)	1,558,875	-2147.27%
Net position, beginning of year	5,014,901	5,087,499	(72,598)	-1.43%
Net position, end of year	<u>\$ 6,501,179</u>	<u>\$ 5,014,901</u>	<u>\$ 1,486,277</u>	29.64%

The Board's total revenues increased by \$183,063 or approximately 2.49%. The total cost of all programs and services decreased by \$1,375,812 or 15.80%.

Capital Assets

For the year ended June 30, 2022, the Board had \$4,899,787 invested in a broad range of capital assets, including furniture, fixtures, computer equipment, and computer software. This amount represents a net decrease (including additions and deductions) of \$332,215 from last year. Details of the Board’s capital assets are found at Note 6.

Noncurrent Liabilities

The Board had no bonds or notes outstanding at June 30, 2022 and 2021.

The Board had no claims or judgments at June 30, 2022 and 2021. Other long-term obligations of the Board at June 30, 2022 include accrued compensated absences in the amount of \$425,323, other post-employment benefits obligations of \$5,623,182, and pension obligations of \$10,865,575.

Variations Between Original and Final Budgets

Actual budgetary basis revenues were approximately \$480,509 over budget, or 5.75%. Actual expenditures were under budget by \$1,022,281, or 12.24%. The Board’s budget variations were in compliance with Louisiana Budget Law and are not expected to have a significant effect on future services or liquidity.

Louisiana State Board of Nursing

Department of Health

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The Board's elected and appointed officials considered the following elements of our Strategic Plan when setting next year's budget, rates, and fees:

Strategic Priority A: Strengthen Nursing Education, Practice, and Workforce

Strategic Priority B: Leverage our Influence as a Recognized Leader

Strategic Priority C: Maintain Organizational Effectiveness, Efficiency and Accountability

Louisiana became the 31st state in the nation to enact the Nurse Licensure Compact (NLC) on May 31, 2018. The NLC was fully implemented on July 1, 2019. Since implementation, 17,180 multi-state licenses (MSL) have been issued.

The Board continues to see an increase in the volume and complexity of its work. Driving elements are the authority to conduct criminal background checks on all applicants for licensure, including students enrolled in clinical nursing courses. The addition of receiving updates to previously requested criminal background requests (rap batch) information from the Louisiana Department of Public Service has resulted in an increase in the number of investigations, as the Board is notified of any arrest of individuals previously fingerprinted for our application. The sequelae of increased investigations are increasing the number and complexity of hearings.

Top funding expenditures for 2023 will address key operation issues and process improvements including: disaster preparedness, electronic records management, paperless workflows, workforce planning and research through the Louisiana Center for Nursing, personnel costs and related benefits, and the LSBN's continued implementation of updates to the National Council of State Boards of Nursing's Optimal Regulatory Board System (ORBS) including for processing our licensure applications and annual continuing nursing education audit.

Our goal is to build on our successes and to continue to promulgate evidence-based regulations, practice opinions and nursing education standards, policies and processes. Our primary goal is to ensure that RNs and APRNs in the state of Louisiana are safe and competent providers of nursing care and to improve health outcomes for all Louisianans.

Critical Issues for 2022 and 2023 (expected).

Based on the analysis reviewed above, LSBN's Board of Directors has established critical issues requiring our attention over the next two years.

1. What is the long-term impact of COVID-19 on our nursing workforce? Will there be an increase in retirements, resignations, enrollments in nursing schools? How do we manage this change in nursing workforce?
2. Will the stress of working during a pandemic over the last two years result in more complaints against nurses, violations of the Nurse Practice Act and/or LSBN Rules and Regulations?
3. Are we fully engaged with employers, educators, and other nursing organizations to design the nursing workforce of the future?

**Louisiana State Board of Nursing
Department of Health
Management's Discussion and Analysis**

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 the Board office at (225)755-7500.

Financial Statements

Louisiana State Board of Nursing
Department of Health
Statement of Net Position
June 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Cash and cash equivalents	\$ 17,296,762
Receivables	2,215
Investments	6,434,998
Prepays	68,827
	<u>23,802,802</u>

Noncurrent Assets

Capital assets, net	4,899,787
	<u>28,702,589</u>

Deferred Outflows of Resources

Deferred outflows related to OPEB	994,737
Deferred outflows related to pensions	2,352,199
	<u>3,346,936</u>
	<u>\$ 32,049,525</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION**

Current Liabilities

Accounts payable	\$ 342,120
Unearned license fees	4,444,000
Postemployment benefits obligation - current portion	89,414
Payroll deductions and accruals	505,702
	<u>5,381,236</u>

Noncurrent Liabilities

Accrued compensated absences	425,323
Postemployment benefits obligation	5,623,182
Pension obligation	10,865,575
	<u>16,914,080</u>
	<u>22,295,316</u>

Deferred Inflows of Resources

Deferred inflows related to OPEB	516,366
Deferred inflows related to pensions	2,736,664
	<u>3,253,030</u>

Net Position

Net investment in capital assets	4,899,787
Unrestricted	1,601,392
	<u>6,501,179</u>
	<u>\$ 32,049,525</u>

See accompanying notes to financial statements.

Louisiana State Board of Nursing
Department of Health
Statement of Revenues, Expenditures and Changes in Net Position
For the Year Ended June 30, 2022

Operating Revenues	
Licenses, permits, and fees	\$ 8,191,900
Examinations	311,100
Enforcement actions	233,724
Other operating revenues	76,162
	<u>8,812,886</u>
Operating Expenses	
Personal services and related benefits	6,146,613
Travel	52,518
Operating services	663,109
Supplies	52,190
Professional services	220,685
Depreciation	197,979
	<u>7,333,094</u>
Operating income	<u>1,479,792</u>
Non-Operating Revenues (Expenses)	
Loss on sale of capital assets	(17,320)
Interest income	23,806
	<u>6,486</u>
Change in net position	1,486,278
Net position, beginning of year	<u>5,014,901</u>
Net position, end of year	<u><u>\$ 6,501,179</u></u>

See accompanying notes to financial statements.

Louisiana State Board of Nursing
Department of Health
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows From Operating Activities

Receipts:

Received from customers \$ 10,692,747

Disbursements:

Payments to employees for services (6,726,836)

Payments to suppliers for goods and services (993,569)

Net cash used in operating activities 2,972,342

Cash Flows From Capital and Related Financing Activities

Purchases of property and equipment (25,812)

Net cash used in capital and related financing activities (25,812)

Cash Flows From Investing Activities

Purchase of investments (6,936,378)

Proceeds from sale of investments 8,817,000

Interest on investments 23,806

Net cash provided by investing activities 1,904,428

Increase in cash and cash equivalents 4,850,958

Cash and cash equivalents, beginning balance 12,445,804

Cash and cash equivalents, ending balance \$ 17,296,762

Reconciliation of operating loss to net cash used in operating activities

Operating loss \$ 1,479,792

Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation 197,979

Decrease (increase) in:

Accounts receivable (39)

Prepaid expenses (62,494)

Deferred outflows related to OPEB (85,531)

Deferred outflows related to pensions 1,655,981

Increase (decrease) in:

Accounts payable 55,117

Accrued salaries and related expenses (19,408)

Accrued compensated absences (9,074)

Unearned license fees 1,879,900

Pension liability (4,849,947)

Other post-employment benefits obligation 706,116

Deferred inflows related to OPEB (258,017)

Deferred inflows related to pensions 2,281,967

Net cash used in operating activities \$ 2,972,342

See accompanying notes to financial statements.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

1. History and Summary of Significant Accounting Policies

Nature of Operations

The Louisiana State Board of Nursing (the “Board”) is a state board and component unit of the State of Louisiana reporting entity. The Board was created under the provisions of Louisiana Revised Statutes (R.S.) 37:911. The Board, as provided by R.S. 36:259(E), is under the supervision and control of the Louisiana Department of Health. The board is composed of eight registered nurses appointed by the governor from a list of names submitted by the Louisiana State Nurses Association, one certified registered nurse anesthetist appointed by the governor from a list of names submitted by the Louisiana Association of Nurse Anesthetists, Ltd., and two representatives of the consumers of Louisiana from the state at-large appointed by the governor, neither of whom shall be a nurse. The nine (9) nurses are composed of the following:

1. Two (2) nursing service administrators
2. Three (3) nursing educators
3. Three (3) engaged in other areas of nursing practice
4. One (1) advanced practice registered nurse prescribed by law as a certified registered nurse anesthetist

The Board elects from its members a president, vice president, and alternate officer to carry out the duties and functions of the Board. The three (3) officers serve as the Executive Committee of the Board. The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs).

At June 30, 2021, approximately 64,675 registered nurses and 8,699 APRNs were licensed.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the Board in an official board-approved activity.

The Board's office is located in Baton Rouge, Louisiana, and as of June 30, 2022, employed 52 full-time administrative personnel, 1 part-time classified employee, 10 WAE seasonal/hourly employees, 4 full-time vacancies, and 2 WAE seasonal/hourly vacancies. The Board's operations are funded entirely through annual self-generated revenues.

Financial Reporting Entity

The Board is considered a component unit of the State of Louisiana because: the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries, and the Board provides specific financial benefits to and may impose specific financial burdens on the State of Louisiana. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing.

Louisiana State Board of Nursing

Department of Health

Notes to Financial Statements

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. 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. These financial statements present only the Board.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total 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 the liability is incurred.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position

The Board follows GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's resources that are applicable to a future reporting period. A deferred inflow represents the acquisition of resources that are applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation
- Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets"

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted as needed.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

Use of Estimates

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

Cash and Cash Equivalents

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

Receivables

Receivables consist of all revenues earned at year-end but have not been collected at year end. Management monitors the receivable balances and assesses the collectability at year end based upon the historical collections, knowledge of the individual or entity, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has deemed all accounts collectible at year-end and no allowance has been recorded.

Fair Value of Financial Instruments

Investments are reported at amortized cost in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Capital Assets

Capital assets with a cost of \$1,000 or more are reported at cost in the statement of net position. Donated assets with an estimated fair value of \$1,000 or more are recorded as capital assets at the date of donation. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	40 years
Furniture, fixtures, and equipment	5 – 10 years

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon 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 liability for these compensated absences is recorded as noncurrent liabilities. The current portion of this debt cannot be reasonably estimated and accordingly, it is not presented.

Unearned License Fees

The Board issues bi-annual license fees to registered nurses and APRN's which results in the accrual of half the collected fees which is presented as a liability on the statement of net position.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and Teachers' Retirement System of Louisiana (TRSL) additions to/deductions from LASERS' and TRSL's fiduciary net position have been determined on the same basis as they are reported by LASERS and TRSL, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This balance represents a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenses) until then. The Board has the following items that qualify for reporting in this category:

Pension plan – these deferred outflows result from pension contributions after the measurement date (deferred and recognized in the following fiscal year) and changes in assumptions, differences in projected and actual earnings on pension assets, and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five-year period).

OPEB plan – these deferred outflows result from OPEB contributions after the measurement date (deferred and recognized in the following fiscal year).

Deferred Inflows of Resources

Deferred inflows of resources are acquisitions of net position by the Board that is applicable to a future reporting period and so will not be recognized as an inflow of resources until then. The Board has the following items that qualify for reporting in this category:

Pension plan – these deferred inflows result from differences between expected and actual experience and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five-year period).

OPEB plan – these deferred inflows result from changes in assumptions and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five-year period).

Accounting Pronouncements

GASB Statement No. 87, "Leases" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this standard had no material effect on the Board's financial statements as of and for the year ended June 30, 2022.

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2. Stewardship, Compliance, and Accountability

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

Fund Accounting Requirements

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required separate fund.

Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3, all deposits were fully insured or collateralized. Investments are limited by R.S. 49:327 and the Board's investment policy.

3. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include demand deposits and money market funds. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The Board's cash deposits at June 30, 2022 consisted of the following:

	<u>Cash</u>	<u>Money Market</u>	<u>Total</u>
Deposits per statement of net position (reconciled bank balance)	<u>\$ 10,804,445</u>	<u>\$ 6,492,317</u>	<u>\$ 17,296,762</u>
Deposits in bank accounts per bank	<u>\$ 10,865,037</u>	<u>\$ 6,492,317</u>	<u>\$ 17,357,354</u>
Category 3 bank balances:			
Uninsured and uncollateralized	-	-	-
Uninsured and collateralized with securities held by the pledging institution's trust department or agent, in the Board's name	-	-	-
Uninsured and collateralized with securities held by the pledging institution or its agent but not in the Board's name	<u>10,615,037</u>	<u>-</u>	<u>10,615,037</u>
Total category 3 bank balances	<u>\$ 10,615,037</u>	<u>\$ -</u>	<u>\$ 10,615,037</u>

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Custodial Deposit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned to the Board. As of June 30, 2022, \$10,615,037 of the Board’s bank balance of \$10,865,037 was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Board’s name. The deposits in the money market funds provide daily liquidity and are backed by U.S. Treasury and Government securities and not subject to collateralization.

4. Investments

At June 30, 2022, the Board had investments with maturities of less than one year as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Credit Quality Rating</u>	<u>Maturity Less Than 1 Year</u>
U.S. Government Obligations	<u>\$ 6,460,000</u>	<u>\$ 6,434,998</u>	Not rated	<u>\$ 6,434,998</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. The Board limits this risk by holding all investments in U.S. treasury securities and U.S. agency obligations.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Board’s investment in a single issuer. The investment policy of the Board contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment - the greater the sensitivity of its fair value to changes in market interest rates is. The Board limits its interest rate risk by limiting its investing to securities with terms of one year or less.

5. Fair Value Measurements

The fair value measurement accounting literature provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Board has the ability access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the assets.

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The Board uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth, by level, the Board's assets at fair value as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents				
Money market accounts	\$ -	\$ 6,492,317	\$ -	\$ 6,492,317
Investments				
U.S. Government Obligations	-	6,434,998	-	6,434,998
	<u>\$ -</u>	<u>\$ 12,927,315</u>	<u>\$ -</u>	<u>\$ 12,927,315</u>

6. Property and Equipment

Property and equipment consists of the following at June 30, 2022:

	<u>Balance</u>			<u>Balance</u>
	<u>6/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2022</u>
Capital assets, not being depreciated				
Land	\$ 1,150,000	\$ -	\$ -	\$ 1,150,000
Capital assets, being depreciated				
Building	4,870,661	-	-	4,870,661
Equipment	886,747	25,811	(358,026)	554,532
Furniture and fixtures	57,533	-	-	57,533
	<u>6,964,941</u>	<u>25,811</u>	<u>(358,026)</u>	<u>6,632,726</u>
Accumulated depreciation	<u>(1,875,667)</u>	<u>(197,979)</u>	<u>340,707</u>	<u>(1,732,939)</u>
	<u>\$ 5,089,274</u>	<u>\$ (172,168)</u>	<u>\$ (17,319)</u>	<u>\$ 4,899,787</u>

Depreciation expense for the year ended June 30, 2022 was \$197,979.

7. Commitments

Litigation

There is no pending litigation or claims against the Board at June 30, 2022, 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.

Other Matters

The Board is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance and, in the opinion of management, the outcome of such actions will have no material impact on the Board's financial condition.

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8. Noncurrent Liabilities

The following is a summary of changes in noncurrent liabilities for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Deductions	Balance 6/30/2022
Accrued compensated absences	\$ 434,397	\$ 58,376	\$ (67,450)	\$ 425,323

Changes in long-term liabilities for Pensions and Other Postemployment Benefits can be found at notes 9 and 10.

9. Defined Benefit Pension Plans

Louisiana State Employees' Retirement System

Plan Descriptions/Benefits Provided

LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414. The age and years of creditable service ("service") required in order for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer and job classification.

Act 992 of the 2010 Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. 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. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive an accrual rate between 2.50% and 3.50%.

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

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

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Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Provisions for survivor benefits are provided for in R.S. 11:471-478. Under these statutes, certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011, who was in state service at the time of death, must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit,

regardless of when earned, in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Cost of Living Adjustments

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

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee Employer contributions to LASERS for the fiscal year ended June 30, 2022 were \$1,539,870, with active member contributions ranging from 7.5% to 8%, and employer contributions of 39.50%.

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

At June 30, 2022, the Board reported a liability of \$10,597,355 for its proportionate share of the LASERS net pension liability. The net pension liability for LASERS was measured as of June 30, 2021, 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 projections of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2021, the most recent measurement date, the Board's proportion and the change in proportion from the prior measurement date was 0.19254%, or an increase of 0.00416%.

For the year ended June 30, 2022, the Board recognized a total pension expense of \$670,434. The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 10,466	\$ -
Changes of assumptions	259,572	-
Net difference between projected and actual actual earnings on pension plan investments	-	2,471,343
Changes in proportion and differences between employer contributions and proportionate share of contributions	148,092	18,822
Employer contributions subsequent to the measurement date	<u>1,539,870</u>	<u>-</u>
	<u>\$ 1,958,000</u>	<u>\$ 2,490,165</u>

\$1,539,870 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	<u>Amount</u>
2023	\$ (29,570)
2024	(380,820)
2025	(561,465)
2026	(1,100,180)

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Actuarial Assumptions

The total pension liability for LASERS in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date:	June 30, 2021
Actuarial Cost Method:	Entry age normal cost
Estimated remaining service life ("ERSL"):	2 years
Investment rate of return	7.40% per annum
Inflation rate	2.3% per annum
Salary increases, including inflation and merit increases:	3.0% to 12.8%, including inflation
Cost of living adjustments:	Not substantively automatic
Mortality rate	
Non-disabled members:	Mortality rates based on the RP-2014 Blue Collar and White Collar Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018
Disabled members:	Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Expected Portfolio Real Rate of Return
Cash	-0.29%
Domestic equity	4.09%
International equity	5.12%
Domestic fixed income	0.49%
International fixed income	3.94%
Alternative investments	6.93%
Risk parity	0.00%
Total fund	5.81%

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Discount Rate

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.40%, 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 (6.40%) or one percentage-point higher (8.40%) than the current rate:

	1.0% Decrease (6.40%)	Current Discount Rate (7.40%)	1.0% Increase (8.40%)
Employer's proportionate share of the net pension liability	\$ 14,358,615	\$ 10,597,355	\$ 7,396,996

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan

At June 30, 2022, the Board reported accrued retirement of \$191,287 for the outstanding amount of employer contributions to the pension plan required for the year ended June 30, 2022. This amount is included as accrued salaries and related expenses on the statement of net position.

Teachers Retirement System of Louisiana

Plan Descriptions/Benefits Provided

TRSL was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:700-999, as amended, for eligible teachers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Most members are eligible to receive retirement benefits (1) at the age of 60 with five years of service credit, (2) at the age of 55 with at least 25 years of service credit, or (3) at any age with at least 30 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of

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final average salary multiplied by years of service. Final average compensation is defined as the member's average annual earned compensation for the highest average 60-month period for members eligible on or after January 1, 2011. For all other members, final average compensation is defined as the highest average 36-month period.

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

Survivor benefits are provided for in R.S. 11:762. A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

TRSL has established a DROP plan. In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or as an additional annuity based upon the account balance.

Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of ad hoc 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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Contributions

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

Employer defined benefit plan contributions to TRSL for fiscal year 2022 were \$65,503, with active member contributions of 8% and employer contributions of 21.8% and 25.0% to 25.2% for ORP and defined benefit plan employees, respectively. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue, totaled \$2,168 for fiscal year 2022, and were recognized as revenue by the Board.

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

At June 30, 2022, the Board reported a liability of \$268,220 for its proportionate share of the TRSL net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Obligation 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. As of June 30, 2021, the most recent measurement date, the Board’s proportion and the change in proportion from the prior measurement date was 0.00502%, an increase of 0.00380% from the prior year valuation.

For the year ended June 30, 2022, the Board recognized pension expense of \$25,109. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to the TRSL pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 1,370	\$ 4,056
Changes of assumptions	26,109	-
Net difference between projected and actual earnings on pension plan investments	-	181,056
Changes in proportion and differences between employer contributions and proportionate share of contributions	301,217	61,387
Employer contributions subsequent to the measurement date	65,503	-
	<u>\$ 394,199</u>	<u>\$ 246,499</u>

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\$65,503 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30:	Amount
2023	\$ (6,968)
2024	38,784
2025	32,559
2026	17,822

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021:

Valuation date:	June 30, 2021
Actuarial Cost Method:	Entry age normal cost
Estimated remaining service life ("ERSL"):	5 years
Investment rate of return	7.4% per annum
Inflation rate	2.3% per annum
Salary increases, including inflation and merit increases:	3.1% to 4.6%, including inflation
Cost of living adjustments:	Not substantively automatic
Mortality rate	
Non-disabled members:	Mortality rates based on the RP-2014 White Collar Healthy Annuitant tables
Disabled members:	Mortality rates based on the RP-2014 Disability tables

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Expected Portfolio Real Rate of Return
Domestic equity	4.21%
International equity	5.23%
Domestic fixed income	0.44%
International fixed income	0.56%
Private equity	8.48%
Other private assets	4.27%

Discount Rate

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.40%, as well as what the Employer's proportionate share of the Net Pension Obligation would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	1.0% Decrease (6.40%)	Current Discount Rate (7.40%)	1.0% Increase (8.40%)
Employer's proportionate share of the net pension liability	\$ 443,877	\$ 268,220	\$ 120,474

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Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the Board recognized revenue as a result of support received from non-employer contributing entities of \$2,168 for its participation in TRSL.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2021 Comprehensive Annual Financial Report at www.trsl.org.

Payables to the Pension Plan

At June 30, 2022 the Board included \$8,465 in accounts payable for employer retirement plan payable.

10. Other Post-Employment Benefits Plan

Plan Description

The Office of Group Benefits ("OGB") administers the State of Louisiana's post-retirement benefits plan – a defined benefit, multiple-employer other postemployment benefit plan ("OPEB"). OPEB provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan, while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School

Employees' Retirement System, or Louisiana State Police Retirement System,) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

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, 2022. 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.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

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

<u>Service</u>	<u>Employer Percentage</u>	<u>Employee Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At June 30, 2022, the Board reported a liability of \$5,712,596 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2021, and was determined by an actuarial valuation as of that date. The Board’s proportionate share of the total collective OPEB liability at June 30, 2021, totaling \$5,006,480.

The Board’s proportionate share percentage is based on the employer’s individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2022, the Board’s proportion was 0.06240%, an increase of 0.00200% from the prior year valuation.

The total collective OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial methods, assumptions, and other inputs applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method – entry age normal, level percentage of pay
- Estimated remaining service lives – 4.5
- Salary increase rate – consistent with the State of Louisiana’s pension plan
- Discount rate – 2.18% based on June 30, 2021 Standard & Poor’s 20-year municipal bond index rate
- Mortality rates – based on the RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

- Healthcare cost trend rates – 6.50% for pre-Medicare eligible employees grading down by 0.25% each year, beginning in 2021-2022, to an ultimate rate of 4.50% in 2030; 5.25% for post-Medicare eligible employees grading down by 0.25% each year, beginning in 2021-2022, to an ultimate rate of 4.50% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers the Consumer Price Index, gross domestic product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% as of July 1, 2020, to 2.66% as of July 1, 2021.

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate

The following presents the Board’s proportionate share of the total collective OPEB liability using the current discount rate 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 that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (1.18%)	Current Discount Rate (2.18%)	1.0% Increase (3.18%)
Proportionate share of total collective OPEB liability	<u>\$ 6,889,182</u>	<u>\$ 5,712,596</u>	<u>\$ 4,797,924</u>

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1.0% Decrease (5.50%)	Current Trend Rate (6.50%)	1.0% Increase (7.50%)
Proportionate share of total collective OPEB liability	<u>\$ 4,726,930</u>	<u>\$ 5,712,596</u>	<u>\$ 7,008,277</u>

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

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

For the year ended June 30, 2022, the Board recognized OPEB expense of \$451,984. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 114,737	\$ 3,316
Changes in assumptions	419,706	255,376
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	370,880	257,674
Employer contributions subsequent to the measurement date	89,414	-
	<u>\$ 994,737</u>	<u>\$ 516,366</u>

Deferred outflows of resources related to OPEB resulting from the Board's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Period Ended:</u>	<u>Amount</u>
6/30/2023	\$ 131,906
6/30/2024	77,418
6/30/2025	120,416
6/30/2026	59,217
	<u>\$ 388,957</u>

Payables to the OPEB Plan

At June 30, 2022 the Board reported no payable to the OPEB plan.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

11. Risk Management

The Board is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters.

The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Control Management public entity risk pool	None
Injuries to employees (workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and Life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

Louisiana State Board of Nursing
Department of Health
Notes to Financial Statements

12. Compensation Paid to Board Members

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the Board, and such reimbursement shall not exceed \$75.00 per day.

<u>Commissioner</u>	<u>Meetings / Official Business</u>	<u>Amount</u>
Carruth, Ann	13	975
Cotita, Timothy	11	825
Couvillon, Jennifer	11	825
Kindall, Tavell	15	1,125
Palermo, Wendi	12	900
Pinkney, Fredrick	13	975
Primeaux, Mimi	12	900
Manning, Jennifer	15	1,125
McNabb, Teresita	10	750
Moffatt, Tracey	11	825
Span, Debroah	3	225
Wiggins, Jamie	2	150
	<u>128</u>	<u>\$ 9,600</u>

13. Subsequent Events

Management has evaluated subsequent events through October 31, 2022, which is the date the financial statements were available to be issued.

Required Supplementary Information

Louisiana State Board of Nursing
Department of Health
Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability
For the Year Ended June 30, 2022

<u>Fiscal Year*</u>	<u>Proportion of the Total Collective OPEB Liability</u>	<u>Proportionate Share of the Total Collective OPEB Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Total Collective OPEB Liability as a Percentage of the Covered Employee Payroll</u>
2017	0.04580%	\$ 4,155,776	\$ 2,836,486	146.51%
2018	0.04580%	3,980,716	3,518,637	113.13%
2019	0.05900%	5,032,572	3,039,350	165.58%
2020	0.06240%	4,818,465	3,282,931	146.77%
2021	0.06040%	5,006,480	3,365,574	148.76%
2022	0.06240%	5,712,596	3,545,235	161.13%

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

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

Louisiana State Board of Nursing
Department of Health
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2022

<u>Fiscal Year*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana State Employees' Retirement System (LASERS)					
2015	0.14939%	\$ 9,341,070	\$ 2,657,568	351%	65.0%
2016	0.15196%	10,335,574	2,752,158	376%	62.7%
2017	0.17440%	13,695,007	3,045,413	450%	57.7%
2018	0.17879%	12,584,724	3,217,225	391%	62.5%
2019	0.19150%	13,059,888	3,427,286	381%	64.3%
2020	0.19403%	14,057,305	3,759,367	374%	62.9%
2021	0.18838%	15,580,036	3,920,447	397%	58.0%
2022	0.19254%	10,597,355	4,002,833	265%	58.0%
Teachers' Retirement System of Louisiana (TRSL)					
2015	0.00326%	\$ 333,321	\$ 135,959	245%	63.7%
2016	0.00332%	356,976	135,958	263%	62.5%
2017	0.00342%	401,405	146,312	274%	59.9%
2018	0.00342%	350,716	147,659	238%	65.6%
2019	0.00125%	123,243	91,351	135%	68.2%
2020	0.00129%	128,127	59,187	216%	68.6%
2021	0.00122%	135,485	47,185	287%	65.6%
2022	0.00502%	268,220	198,259	135%	83.9%

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

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

Louisiana State Board of Nursing
Department of Health
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2022

<u>Fiscal Year*</u>	<u>Statutorily Required Contribution</u>	<u>Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Louisiana State Employees' Retirement System (LASERS)					
2015	\$ 1,007,632	\$ 1,007,632	\$ -	\$ 2,752,168	36.6%
2016	1,145,242	1,145,242	-	3,045,413	37.6%
2017	1,158,587	1,158,587	-	3,217,225	36.0%
2018	1,297,331	1,297,331	-	3,427,286	37.9%
2019	1,426,193	1,426,193	-	3,759,367	37.9%
2020	1,595,622	1,595,622	-	3,920,447	40.7%
2021	1,605,136	1,605,136	-	4,002,833	40.1%
2022	1,539,870	1,539,870	-	3,898,405	39.5%
Teachers' Retirement System of Louisiana (TRSL)					
2015	\$ 38,418	\$ 38,418	\$ -	\$ 135,958	28.3%
2016	38,771	38,771	-	146,312	26.5%
2017	37,951	37,951	-	147,659	25.7%
2018	24,296	24,296	-	91,351	26.6%
2019	15,803	15,803	-	59,187	26.7%
2020	12,268	12,268	-	47,185	26.0%
2021	51,151	51,151	-	198,259	25.8%
2022	65,503	65,503	-	259,933	25.2%

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

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

Louisiana State Board of Nursing

Notes to Required Supplementary Information

Pension Plans

LASERS

Changes of assumptions for LASERS by year are as follows:

Fiscal Year	Discount Rate	Investment Rate of Return	Inflation Rate	Projected Salary Increase	Remaining Service Lives
2022	7.40%	7.40%	2.30%	3.0% to 12.8%	2 years
2021	7.55%	7.55%	2.30%	3.0% to 12.8%	2 years
2020	7.60%	7.60%	2.50%	3.2% to 13.0%	2 years
2019	7.65%	7.65%	2.75%	3.8% to 12.8%	3 years
2018	7.70%	7.70%	2.75%	3.8% to 12.8%	3 years
2017	7.75%	7.75%	3.00%	4.0% to 13.0%	3 years
2016	7.75%	7.75%	3.00%	4.0% to 13.0%	3 years
2015	7.75%	7.75%	3.00%	4.0% to 13.0%	3 years

Additional changes of benefit terms and assumptions include:

2015 – A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.

2017 – A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

2018 – Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate in 0.05% increments. Per Act 94 of 2016 the projected contribution requirements for the fiscal year ending June 30, 2019, include direct funding of administrative expenses, rather than a reduction in the assumed rate of return.

2020 – The LASERS termination, disability, and retirement assumptions and methods were updated based on experience study for the fiscal years July 1, 2013 through June 30, 2018

2021 – Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of LASERS' members for 2019 salary increases were projected based on a 2014-2018 experience study of the LASERS' members. The present value of future retirement benefits is based on benefits currently being paid by LASERS 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.

2022 – The present value of future retirement benefits is based on benefits currently being paid by LASERS 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.

Louisiana State Board of Nursing

Notes to Required Supplementary Information

TRSL

Changes of assumptions for LASERS by year are as follows:

<u>Fiscal Year</u>	<u>Discount Rate</u>	<u>Investment Rate of Return</u>	<u>Inflation Rate</u>	<u>Projected Salary Increase</u>	<u>Remaining Service Lives</u>
2022	7.40%	7.40%	2.30%	3.0% to 12.8%	2 years
2021	7.55%	7.55%	2.30%	3.0% to 12.8%	2 years
2020	7.60%	7.60%	2.50%	3.2% to 13.0%	2 years
2019	7.65%	7.65%	2.75%	3.8% to 12.8%	3 years
2018	7.70%	7.70%	2.75%	3.8% to 12.8%	3 years
2017	7.75%	7.75%	3.00%	4.0% to 13.0%	3 years
2016	7.75%	7.75%	3.00%	4.0% to 13.0%	3 years
2015	7.75%	7.75%	3.00%	4.0% to 13.0%	3 years

Additional changes of benefit terms and assumptions include:

2015 – A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.

2017 – A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

2018 – Effective July 1, 2017, the TRSL board adopted a plan to gradually reduce the discount rate in 0.05% increments. Per Act 94 of 2016 the projected contribution requirements for the fiscal year ending June 30, 2019, include direct funding of administrative expenses, rather than a reduction in the assumed rate of return.

Other Post-Employment Benefits Plan

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement 75 to pay related benefits and there are no benefit changes.

Changes in the discount rate by year are as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2022	7/1/2021	2.18%
2021	7/1/2020	2.66%
2020	7/1/2019	2.79%
2019	7/1/2018	2.98%
2018	7/1/2017	3.13%
2017	7/1/2016	2.71%

Louisiana State Board of Nursing

Notes to Required Supplementary Information

Additional changes of assumptions for the other post-employment benefits plan (“OPEB”) include:

2019 – (a) baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums; (b) Demographic assumptions were revised for the Louisiana State Police Retirement System, the Louisiana School Employees’ Retirement System, and the Teachers’ Retirement System of Louisiana to reflect recent experience studies. The mortality assumption for LASERS was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018; (c) the percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

2020 – (a) baseline per capita costs were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums; (b) Life insurance contributions were updated to reflect 2020 premium schedules; (c) the impact of the High Cost Excise Tax was removed, and the High Cost Excise Tax was repealed in December 2019; (d) demographic assumptions were revised for LASERS to reflect the recent experience study.

2021 – (a) baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, plan administrators do not believe this experience is reflective of what we can expect in future years; (b) the salary scale assumptions were revised for the LASERS and the Teachers’ Retirement System of Louisiana; (c) medical participation rates, life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan election percentages have all been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

2022 – (a) the discount rate has decreased from 2.66% to 2.18%; (b) baseline per capita costs were updated to reflect 2021 claims and enrollment; (c) medical plan election percentages were updated based on the coverage elections of recent retirees; (d) the healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

***Reports Required by
Government Auditing Standards***

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

To the Board Members of the
Louisiana State Board of Nursing
Department of Health
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana State Board of Nursing, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Louisiana State Board of Nursing's basic financial statements, and have issued our report thereon dated October 31, 2022.

Report on Internal Control Over Financial Reporting

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

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

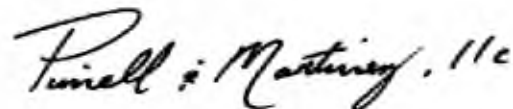
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana State Board of Nursing'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Covington, Louisiana
October 31, 2022

Louisiana State Board of Nursing
Department of Health
Schedule of Findings
For the Year Ended June 30, 2022

A. Summary of Auditor's Reports

a. Financial Statements

Type of auditor's report issued: Unmodified

b. Internal control over financial reporting:

Material weaknesses identified _____ yes no

Significant deficiencies identified not
considered to be material weaknesses _____ yes none noted

c. Noncompliance material to financial
statements noted _____ yes no

B. Findings in Accordance with *Government Auditing Standards*

None noted.

Louisiana State Board of Nursing
Department of Health
Schedule of Prior Year Findings
For the Year Ended June 30, 2022

A. Findings in Accordance with *Government Auditing Standards*

None noted.

Annual Fiscal Report

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 7-15-27 - Louisiana State Board of Nursing

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS:--

SUBMITTAL DATE: --

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	17,296,762.00
INVESTMENTS:	
OTHER INVESTMENTS	6,434,998.00
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)	2,215.00
RECEIVABLES - OTHER (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
PLEDGES RECEIVABLE (NET) - CURRENT	0.00
LEASES RECEIVABLE - CURRENT	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE FROM OTHER FUNDS	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	68,827.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$23,802,802.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:

RESTRICTED CASH - NONCURRENT	0.00
RESTRICTED INVESTMENTS - NONCURRENT	0.00
RESTRICTED RECEIVABLES	0.00
RESTRICTED NOTES RECEIVABLE	0.00
OTHER RESTRICTED ASSETS	0.00
INVESTMENTS - NONCURRENT	0.00
RECEIVABLES (NET) - NONCURRENT:	
NON-CURRENT RECEIVABLES - EMPLOYER CONTRIBUTIONS	0.00
NON-CURRENT RECEIVABLES - TUITION AND FEES	0.00
NON-CURRENT RECEIVABLES - OTHER	0.00
NOTES RECEIVABLE - NONCURRENT	0.00
PLEDGES RECEIVABLE - NONCURRENT	0.00
LEASES RECEIVABLE - NONCURRENT	0.00
CAPITAL ASSETS:	
LAND	1,150,000.00
BUILDING & IMPROVEMENTS	
BUILDINGS AND IMPROVEMENTS (GROSS)	4,870,661.00
BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION)	(1,186,844.00)
MACHINERY & EQUIPMENT	
MACHINERY AND EQUIPMENT (GROSS)	612,066.00
MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(546,096.00)
INFRASTRUCTURE	

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 7-15-27 - Louisiana State Board of Nursing

PREPARED BY: --

PHONE NUMBER: --

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SUBMITTAL DATE: --

INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
INTANGIBLE ASSETS	
INTANGIBLE ASSETS (GROSS)	0.00
INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	0.00
CONSTRUCTION IN PROGRESS	0.00
INTANGIBLE RIGHT-TO-USE LEASED ASSETS:	
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
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$4,899,787.00
TOTAL ASSETS	\$28,702,589.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE-RELATED DEFERRED OUTFLOW OF RESOURCES	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	994,737.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	2,352,199.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$3,346,936.00

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	505,702.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	342,120.00
PROFESSIONAL SERVICES	0.00
SUPPLIES	0.00
GRANTS & PUBLIC ASSISTANCE	0.00
OTHER CHARGES	0.00
CAPITAL OUTLAY	0.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE TO OTHER FUNDS	0.00
DUE TO FEDERAL GOVERNMENT	0.00
UNEARNED REVENUES	4,444,000.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
OTHER CURRENT LIABILITIES	0.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00

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COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	89,414.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$5,381,236.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	425,323.00
LEASE LIABILITY	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	5,623,182.00
NET PENSION LIABILITY	10,865,575.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL LONG-TERM LIABILITIES	\$16,914,080.00
TOTAL LIABILITIES	\$22,295,316.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE-RELATED DEFERRED INFLOW OF RESOURCES	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	516,366.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	2,736,664.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$3,253,030.00

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	4,899,787.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
UNEMPLOYMENT COMPENSATION	0.00
ENDOWMENTS - EXPENDABLE	0.00
ENDOWMENTS - NONEXPENDABLE	0.00
DEBT SERVICE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$1,601,392.00
TOTAL NET POSITION	\$6,501,179.00

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OPERATING REVENUES:

SALES OF COMMODITIES & SERVICES	0.00
ASSESSMENTS	233,724.00
USE OF MONEY & PROPERTY	0.00
LICENSES, PERMITS & FEES	8,503,000.00
FEDERAL GRANTS & CONTRACTS	0.00
OTHER	76,162.00
TOTAL OPERATING REVENUES	\$8,812,886.00

OPERATING EXPENSES:

COST OF SALES & SERVICES	0.00
ADMINISTRATIVE	7,135,115.00
DEPRECIATION	197,979.00
AMORTIZATION	0.00
UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund)	0.00
TOTAL OPERATING EXPENSES	\$7,333,094.00

OPERATING INCOME (LOSS) \$1,479,792.00

NONOPERATING REVENUES(EXPENSES)

NON-OPERATING INTERGOVERNMENTAL REVENUES	0.00
NON-OPERATING INTERGOVERNMENTAL EXPENSES	0.00
GAIN ON SALE OF CAPITAL ASSETS	0.00
LOSS ON SALE OF CAPITAL ASSETS	(17,320.00)
FEDERAL GRANTS	0.00
INTEREST EXPENSE	0.00
OTHER NON-OPERATING REVENUES	23,806.00
OTHER NON-OPERATING EXPENSES	0.00
TOTAL NONOPERATING REVENUES (EXPENSES)	\$6,486.00

INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS \$1,486,278.00

CAPITAL CONTRIBUTIONS	0.00
TRANSFERS IN	0.00
TRANSFERS OUT	0.00

CHANGE IN NET POSITION \$1,486,278.00

NET POSITION - BEGINNING	\$5,014,901.00
NET POSITION - RESTATEMENT	0.00

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NET POSITION - ENDING

\$6,501,179.00

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:

RECEIPTS FROM CUSTOMERS	10,692,747.00
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	(993,569.00)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00
PAYMENTS TO EMPLOYEES FOR SERVICES	(6,726,836.00)
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	\$2,972,342.00

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	0.00
RECEIPTS FROM OPERATING GRANTS	0.00
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	0.00
RECEIPTS FROM OTHER FUNDS	0.00
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR GRANTS AND SUBSIDIES	0.00
PAYMENTS TO OTHER FUNDS	0.00
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$0.00

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT	0.00
RECEIPTS FROM CAPITAL GRANTS	0.00
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	0.00
RECEIPTS FROM LESSOR LEASES	0.00
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	(25,812.00)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON CAPITAL DEBT	0.00
PAYMENTS FOR LEASED ASSETS	0.00
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$(25,812.00)

CASH FLOWS FROM INVESTING ACTIVITIES:

PURCHASES OF INVESTMENTS	(6,936,378.00)
PROCEEDS FROM THE SALE OF INVESTMENTS	8,817,000.00
INTEREST AND DIVIDENDS	23,806.00
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$1,904,428.00

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NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS **\$4,850,958.00**

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR 12,445,804.00

RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS 0.00

CASH & CASH EQUIVALENTS AT END OF YEAR **\$17,296,762.00**

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

OPERATING INCOME (LOSS) **\$1,479,792.00**

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

DEPRECIATION/AMORTIZATION 197,979.00

PROVISION FOR UNCOLLECTIBLE ACCOUNTS 0.00

NONEMPLOYER CONTRIBUTING ENTITY REVENUE 0.00

OTHER 0.00

(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE (39.00)

(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS 0.00

(INCREASE)/DECREASE IN PREPAYMENTS (62,494.00)

(INCREASE)/DECREASE IN INVENTORIES 0.00

(INCREASE)/DECREASE IN OTHER ASSETS 0.00

(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB (85,531.00)

(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS 1,655,981.00

(INCREASE)/DECREASE IN OTHER DEFERRED OUTFLOWS 0.00

INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS 35,709.00

INCREASE/(DECREASE) IN COMPENSATED ABSENCES (9,074.00)

INCREASE/(DECREASE) IN DUE TO OTHER FUNDS 0.00

INCREASE/(DECREASE) IN UNEARNED REVENUES 1,879,900.00

INCREASE/(DECREASE) IN OPEB LIABILITY 706,116.00

INCREASE/(DECREASE) IN NET PENSION LIABILITY (4,849,947.00)

INCREASE/(DECREASE) IN OTHER LIABILITIES 0.00

INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB (258,017.00)

INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS 2,281,967.00

INCREASE/(DECREASE) IN OTHER DEFERRED INFLOWS 0.00

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES **\$2,972,342.00**

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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	17,320.00
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
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	10,865,037.00	0.00	0.00	10,831,040.00
Non-Negotiable Certificates of Deposits	0.00	0.00	0.00	0.00
Money Market Demand Accounts*	6,492,317.00	0.00	0.00	0.00
Total	\$17,357,354.00	\$0.00	\$0.00	\$10,831,040.00

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
US Government Obligations (including Fannie Mae & Freddie Mac) < 12 Months to Maturity at Purchase Date	\$6,434,998.00			Not Applicable		
Totals	\$6,434,998.00					

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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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 LEASED ASSETS

	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not depreciated:						
Land	1,150,000.00	0.00	\$1,150,000.00	0.00	0.00	\$1,150,000.00
Construction in progress	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total capital assets not depreciated	\$1,150,000.00	\$0.00	\$1,150,000.00	\$0.00	\$0.00	\$1,150,000.00
Other capital assets:						
Buildings	4,870,661.00	0.00	\$4,870,661.00	0.00	0.00	\$4,870,661.00
Accumulated depreciation	(1,064,953.00)	0.00	\$(1,064,953.00)	(121,891.00)	0.00	\$(1,186,844.00)
Total Buildings	\$3,805,708.00	\$0.00	\$3,805,708.00	\$(121,891.00)	\$0.00	\$3,683,817.00
Machinery & Equipment	944,280.00	0.00	\$944,280.00	25,811.00	(358,025.00)	\$612,066.00
Accumulated depreciation	(810,714.00)	0.00	\$(810,714.00)	(76,088.00)	340,706.00	\$(546,096.00)
Total Machinery & Equipment	\$133,566.00	\$0.00	\$133,566.00	\$(50,277.00)	\$(17,319.00)	\$65,970.00
Infrastructure	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated depreciation	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intangibles	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
Total other capital assets	\$3,939,274.00	\$0.00	\$3,939,274.00	\$(172,168.00)	\$(17,319.00)	\$3,749,787.00
Right-To-Use Lease 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 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 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 Machinery & Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Right-To-Use Lease Assets, net	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Capital and Right-To-Use Leased Assets, net	\$5,089,274.00	\$0.00	\$5,089,274.00	\$(172,168.00)	\$(17,319.00)	\$4,899,787.00
Depreciation Total:	\$(197,979.00)					
Amortization Total:	\$0.00					

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IMPAIRMENT OF CAPITAL ASSETS

Does your agency have any Impairment of Capital Assets to report?

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	1,539,870.00	3,898,405.00	0.00
TRSL	65,503.00	259,933.00	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 6/30/2021 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. 89,414.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 3,545,235.00

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2021 - 6/30/2022). This information will be provided to the actuary for the valuation report early next year. 0.00

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 6/30/2022 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 Lease 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].

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LEASE LIABILITY

Fiscal Year Ending:	Principal	Interest	Total
2023	0.00	0.00	\$0.00
2024	0.00	0.00	\$0.00
2025	0.00	0.00	\$0.00
2026	0.00	0.00	\$0.00
2027	0.00	0.00	\$0.00
2028 - 2032	0.00	0.00	\$0.00
2033 - 2037	0.00	0.00	\$0.00
2038 - 2042	0.00	0.00	\$0.00
2043 - 2047	0.00	0.00	\$0.00
2048 - 2052	0.00	0.00	\$0.00
2053 - 2057	0.00	0.00	\$0.00
2058 - 2062	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 Lease 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].

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 7-15-27 - Louisiana State Board of Nursing

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

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	434,397.00	0.00	\$434,397.00	58,376.00	(67,450.00)	\$425,323.00	0.00
Lease 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	\$434,397.00	\$0.00	\$434,397.00	\$58,376.00	\$(67,450.00)	\$425,323.00	
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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CONTINGENCIES AND COMMITMENTS

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

Account Name/Description	Restatement Amount
Total	\$0.00

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SUBMISSION

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

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

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

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