

LOUISIANA STATE BOARD OF HOME INSPECTORS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018

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DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Louisiana State Board of Home Inspectors
Baton Rouge, LA

We have reviewed the accompanying financial statements of Louisiana State Board of Home Inspectors, which comprise the statement of net position as of June 30, 2018 and the related statements of activities and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believed that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and related directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

The Louisiana State Board of Home Inspectors has not presented management discussion and analysis that generally accepting accounting principles accepted in the United States of America and Louisiana Revised Statute 24:514 has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Daigrepont & Brian, APAC

Daigrepont & Brian, APAC
Baton Rouge, LA

October 31, 2018

LOUISIANA STATE BOARD OF HOME INSPECTORS
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Current Assets	
Cash	\$ 716,500
Accounts receivable, net	2,461
Prepaid expenses	7,098
Total Current Assets	<u>726,059</u>
Capital Assets, net	2,972
Other Assets	
Deferred outflows of resources	35,225
Deposits	2,598
Total Other Assets	<u>37,823</u>
Total Assets	<u>\$ 766,854</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 3,030
Compensated absences payable	8,707
Payroll taxes & withholdings	832
Total Current Liabilities	<u>12,569</u>
Non-Current Liabilities	
Net pension liability	224,539
Other post employment benefit	119,796
Deferred inflows of resources	14,096
Total Non-Current Liabilities	<u>358,431</u>
Total Liabilities	371,000
Total Net Position	<u>395,854</u>
Total Liabilities and Net Position	<u>\$ 766,854</u>

See accompanying notes and independent accountant's review report.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

Application fees	\$ 44,705
Inspection fees	220,153
Continuing education fees	11,400
Penalties & fines collected	15,696
Other revenue	5,971

Total Revenues	<u>297,925</u>
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EXPENSES

Operating services & supplies	27,555
Rent	25,179
Depreciation	1,222
Salary, wages & benefits	114,761
Professional fees	28,563

Total Expenses	<u>197,280</u>
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CHANGE IN NET POSITION	100,645
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Net position - beginning of period	<u>295,209</u>
Net position - end of period	<u>\$ 395,854</u>

See accompanying notes and independent accountant's review report.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net position	\$ 100,645
<u>Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:</u>	
Depreciation	1,222
Decrease in accounts receivable	10,959
Increase in prepaid expenses	(2,098)
Decrease in other assets	24,221
Decrease in accounts payable	(11,620)
Decrease in employment benefits payable	(17,648)
Increase in other liabilities	13,803
Total adjustments	<u>18,839</u>
Net cash provided by operating activities	<u>119,484</u>
INCREASE IN CASH	119,484
CASH, BEGINNING OF YEAR	<u>597,016</u>
CASH, END OF YEAR	<u><u>\$ 716,500</u></u>

See accompanying notes and independent accountant's review report.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

INTRODUCTION

The Louisiana State Board of Home Inspectors (Board), a related organization of the State of Louisiana, was created by the Louisiana Legislature in 1999 and is established under the provisions of Louisiana Revised Statute (R.S.) 37:1474. The Board is a licensing agency of the State of Louisiana. The Board's enabling legislation, the Home Inspectors Licensing Law, is comprised by R.S. 37:1471 *et seq.* The Board is composed of a single member from each congressional district, each appointed by the Governor of the State of Louisiana to serve a six year term. The Board is charged with the responsibility of regulating all persons engaged in the business of inspecting existing residential homes for compensation, and advising persons utilizing such services and the general public of the legal obligations and responsibilities of residential home inspectors. The operations of the Board are funded through self-generated revenues primarily derived from license applications, license renewals, and fees from inspections performed by home inspectors. The board has one full time employee, and is located in Baton Rouge.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Board have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position, results of operations, and cash flows of the Board as of and for the year ended June 30, 2018.

Financial Reporting Entity: As required by GASB Statement No. 61, *The Financial Reporting Entity – an amendment of GASB Statements No.14 and No. 34*, the Board is considered a related organization of the State of Louisiana. The accompanying financial statements present only the transactions of the Board.

Basis of Presentation - Fund Accounting: Proprietary funds are used to account for the Board's ongoing operations and activities which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resources measurement focus under which all assets and all liabilities associated with the operation of these funds are included in the Statement of Financial Position. The operating statement presents increases (revenues) and decreases (expenses) in total net position. The Board maintains one proprietary fund, the General Fund.

Basis of Accounting: The Board prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Such principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of

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BATON ROUGE, LOUISIANA
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revenues and expenses during the reporting period. Actual results could differ from those estimates. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Board has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), excluding those issued after November 30, 1989.

Basis of Reporting: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. GASB No. 34 established standards for external reporting for all state and local governmental entities. It requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in Capital Assets, Net of Related Debt: This component of net position 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: This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws and regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition of restricted, or invested in capital assets, net of related debt.

Net Position: On July 1, 2012, the Board adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of net position in one period that are applicable to future periods. GASB Statement No. 63 requires that deferred outflows of resources should be reported in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities.

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components - *invested in capital assets, net of related debt* consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction or improvement of those assets; *restricted* distinguishing between major categories of restrictions and consisting of restricted assets reduced by

LOUISIANA STATE BOARD OF HOME INSPECTORS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

liabilities and deferred inflows of resources related to those assets; and *unrestricted* consisting of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of capital assets, net of related debt or the restricted portion of net position.

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

Cash and Cash Equivalents: Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

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

The Board's policy is tailored after Louisiana Revised Statute 49:327 and prohibits investments with maturities extending beyond twelve months. The policy also requires that three quotes be obtained from allowable financial institutions as to interest rates and that the amounts of the investment not exceed an amount insured by FDIC (\$250,000) and pledged collateral at any one institution.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

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

Capital Assets: Capital assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the Board includes all capital acquisitions with a cost of \$1,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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Compensated Absences: Employees of the Board earn and accumulate vacation and sick leave at varying rates depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, however, employees or their heirs are compensated for only up to 300 hours of unused vacation leave. This is computed 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. At June 30, 2018, employees of the Board had accumulated and vested \$8,707 in employee leave benefits, which was computed in accordance with GASB Codification Section C60.150.

Adoption of New Accounting Principles: For the year ended June 30, 2018, the Board implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 addresses accounting and financial reporting for health care and life insurance that are provided to employees of state and local governments. In addition, Statement No. 75 supersedes portions of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*. Most significantly, the Board is required to recognize the remaining liability for its proportionate share of the OPEB liability of the State of Louisiana's retiree health plan presented in note 8.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2018:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand deposits	<u>\$ 716,500</u>	<u>\$ 721,798</u>

Custodial risk is the risk that in the event of a bank failure, the Board's deposits may not be recovered. The Board's deposit policy conforms to state law. Under state law, the Board's deposits must *be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank*. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

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

NOTE 3 – INVESTMENTS

At June 30, 2018 the Board has no investments.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 – ACCOUNTS RECEIVABLE

The Board had accounts receivable of \$2,461 at June 30, 2018 from fines issued during the year.

NOTE 5 – CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Capital Assets, being depreciated				
Computers and Related Assets	\$ 40,052	\$ 0	\$ 0	\$ 40,052
Less: accumulated depreciation	(36,304)	(1,073)	0	(37,377)
Net Computers and Related Assets	3,748	(1,073)	0	2,675
Office Furniture	6,911	0	0	6,911
Less: accumulated depreciation	(6,465)	(149)	0	(6,614)
Net Furniture	446	(149)	0	297
Intangible Assets	13,293	0	0	13,293
Less: accumulated depreciation	(13,293)	0	0	(13,293)
Net Intangible Assets	0	0	0	0
Net Capital Assets, being depreciated	<u>4,194</u>	<u>(1,222)</u>	<u>0</u>	<u>2,972</u>

Depreciation expense for the year ended June 30, 2018 was \$1,222.

NOTE 6 – LEAVE

Annual and Sick Leave. The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statements of net position at \$8,707.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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NOTE 6 – LEAVE (continued)

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. Compensatory leave time was not accrued at June 30, 2018.

NOTE 7 – PENSIONS

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

Employees of the Louisiana State Board of Home Inspectors are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

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

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
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Retirement Benefits

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

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

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
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Retirement Benefits (continued)

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

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

1. Deferred Retirement Benefits

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

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

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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1. Deferred Retirement Benefits (continued)

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

2. Disability Benefits

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

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

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

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

3. Survivor's Benefits

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

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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3. Survivor's Benefits (continued)

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

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

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

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Contributions (continued)

Plan	Plan Status	Employee Rate	Employer Rate
Appellate Law Clerks	Closed	7.50%	37.90%
Appellate Law Clerks hired on or after 7/01/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	32.70%
Bridge Police	Closed	8.50%	36.50%
Bridge Police hired on or after 7/01/06	Closed	8.50%	36.50%
Corrections Primary	Closed	9.00%	33.20%
Corrections Secondary	Closed	9.00%	37.60%
Harbor Police	Closed	9.00%	6.10%
Hazardous Duty	Open	9.50%	38.30%
Judges hired before 1/01/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.60%
Judges hired on or after 7/01/15	Open	13.00%	39.60%
Legislators	Closed	11.50%	41.70%
Optional Retirement Plan (ORP) before 7/01/06*	Closed	7.50%	33.80%
Optional Retirement Plan (ORP) on or after 7/01/06*	Closed	8.00%	33.80%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 7/01/06	Closed	7.50%	37.90%
Regular Employees hired on or after 7/01/06	Closed	8.00%	37.90%
Regular Employees hired on or after 1/01/11	Closed	8.00%	37.90%
Regular Employees hired on or after 7/01/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.70%
Wildlife Agents	Closed	9.50%	46.60%

*For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate.

The information above can be found in the current Employer Pension Audit Report located <https://lasersonline.org/employers/gasb-68-resources/>.

The agency's contractually required composite contribution rate for the year ended June 30, 2018 was 37.9% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$20,596 for the year ended June 30, 2018.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
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JUNE 30, 2018**

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

At June 30, 2018, the Employer reported a liability of \$224,537 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Agency's proportion was 0.00319% which was a decrease of 0.00012% from its proportion measured as of June 30, 2016. For the year ended June 30, 2018, the Agency recognized pension expense of \$20,596 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,220.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,120)
Changes of assumptions	\$ 887	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 7,302	\$ -
Changes in proportion and differences between Employer contributions and proportionate share of contributions	\$ 6,440	\$ -
Employer contributions subsequent to the measurement date	20,596	-
Total	<u>\$ 35,225</u>	<u>\$ (4,120)</u>

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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JUNE 30, 2018**

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

\$20,596 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2019	\$	2,318
2020	\$	9,789
2021	\$	2,922
2022	\$	(4,520)

Actuarial Assumptions

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

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Actuarial Assumptions (continued)

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.70% per annum, net of investment expenses*
Inflation Rate	2.75% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

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

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

*The investment rate of return used in the actuarial valuation for funding purposes was 8.15%, recognizing an additional 25 basis points for gain-sharing and 15 basis points to offset administrative expenses.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.72% for 2017. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

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

The information above can be found in the current Employer Pension Audit Report located <https://lasersonline.org/employers/gasb-68-resources/>.

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.70%, 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 or one percentage point higher than the current rate:

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

	1.0% Decrease (6.70%)	Current Discount Rate (7.70%)	1.0% Increase (8.70%)
Employer's proportionate share of the net pension liability	\$ 281,883	\$ 224,537	\$ 175,783

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2017 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan

At June 30, 2018, the Board had no payables to LASERS for the June 2018 employee and employer legally-required contributions.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined-benefit, Multi-employer other post-employment benefit plan. The plan 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, 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 No. 75. Effective July 1, 2018, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2018. The plan is funded on a "pay-as-you-go" 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.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
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JUNE 30, 2018**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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 B coverage also have access to four fully insured Medicare Advantage Plans.

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

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for 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, 2018, The Board reported a liability of \$119,796 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date. The Board's proportionate share of the restated total collective OPEB liability at June 30, 2016 totaling \$120,753, was determined using a roll back of the same valuation to July 1, 2016, using the discount rate applicable on that date, and assuming no gains or losses.

The Board's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2018, the Board's proportionate share was .000014%. Because the beginning balance was restated using a rollback of the July 1, 2017 valuation assuming no gains or losses, there is no change to the proportion since the prior measurement date.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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NOTES TO FINANCIAL STATEMENTS
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Total Collective OPEB Liability and Changes in Total Collective OPEB Liability (continued)

The total collective OPEB liability in the July 1, 2017 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 – 4.48
- Inflation Rate – Consumer Price Index (CPI) 2.8%
- Salary Increase Rate – consistent with pension plan disclosed in note 8
- Discount rate – 3.13% based on June 30, 2017 Standard & Poor’s 20-year municipal bond index rate
- Mortality Rates – based on 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-2017.
- Healthcare cost trends – 7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% 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 Consumer Price Index, Gross Domestic Product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.71% as of July 1 2016 to July 1, 2017. 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 (2.13%)	Current Discount Rate (3.13%)	1.0% Increase (4.13%)
Proportionate Share of Total Collective OPEB Liability	\$ 151,479	\$ 119,796	\$ 95,796

**LOUISIANA STATE BOARD OF HOME INSPECTORS
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Total Collective OPEB Liability and Changes in Total Collective OPEB Liability (continued)

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 rate:

	1.0% Decrease (6%decreasing to 3.5%)	Current Discount Rate 7%decreasing to 4.5%)	1.0% Increase (8%decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	\$ 91,254	\$ 119,796	\$ 159,114

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

For the year ended June 30, 2018, the Board recognized OPEB expense of \$9,019. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (9,976)
Difference between benefit payments and proportionate share of benefit payments	-	-
Total	<u>\$ -</u>	<u>\$ (9,976)</u>

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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 to the total collective liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year ended June 30:</u>	
2019	\$(2,247)
2020	(2,247)
2021	(2,247)
2022	(2,247)
2023	<u>(989)</u>
Total	<u>\$(9,977)</u>

NOTE 9 – LEASES

Operating Leases. The Board leases office space payable at \$2,098 a month through February 28, 2021. For the year ended June 30, 2018, lease payments of \$25,179 were made. In addition, the Board leases a copier at \$130 per month through November 30, 2020. Future minimum operating lease payments under these leases as of June 30, 2018 are as follows:

2019	26,739
2020	26,609
2021	<u>4,196</u>
Total	<u>\$57,544</u>

Capital Leases. The Board has no capital leases.

NOTE 10 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2018:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 3,030
Payroll and related	832
Compensated absences	<u>8,707</u>
Total	<u>\$12,569</u>

NOTE 11 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in this report.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 – CONTINGENT LIABILITIES

There are no contingent liabilities that would require disclosure in this report.

NOTE 13 – RESTATEMENT OF BEGINNING NET POSITION

The beginning net position as of July 1, 2017 has been restated to reflect the following adjustments:

Net position at June 30, 2017	\$ 362,168
GASB 75 (OPEB) adjustment	<u>(66,959)</u>
Net position at June 30, 2017 as restated	<u>(\$ 295,209)</u>

The OPEB restatement decreased the Board's beginning net position by \$66,959. The restatement was due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Had the standard been implemented in fiscal year 2017 and included in the June 30, 2017 Statement of Revenues, Expenses and Changes in Net Position, the previously reported change in net position of \$70,602 would have been \$3,643.

NOTE 14 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

**LOUISIANA STATE BOARD OF HOME INSPECTORS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018**

AGENCY HEAD NAME: Morgan Spinosa, Chief Operating Officer

PURPOSE	AMOUNT
Salary	\$ 60,368
Retirement	31,751
Health Insurance	21,641
Total	<u>\$ 113,760</u>

See accompanying notes and independent accountant's review report.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Louisiana State Board of Home Inspectors

We have performed the procedures enumerated below, which were agreed to by the management of the Louisiana State Board of Home Inspectors and the Louisiana Legislative Auditor (LLA), on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Organization's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

Results: No exceptions noted.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Results: Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Results: Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

Results: No employees' names appeared on both listings.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Results: No vendors were included on either list provided by management.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Results: No exceptions noted.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

Results: No exceptions noted.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Results: No exceptions noted.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Results: No exceptions noted.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Results: No exceptions noted.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Results: No exceptions noted.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Results: No exceptions noted.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

Results: No exceptions noted.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

Results: No exceptions noted.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

Results: No exceptions noted.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Results: No exceptions noted.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Results: No exceptions were noted during the performance of prior year's SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Organization's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Daigrepoint & Brian, APAC

Daigrepoint & Brian, APAC
Baton Rouge, Louisiana

October 31, 2018

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

Deigre part and Brin, APAC (CPA Firm Name)
910 S. Acadian Thruway (CPA Firm Address)
Baton Rouge, LA 70806 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2018 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1-A. (2), and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the Internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

[Handwritten Signature]

^{COO}
~~Secretary~~ 10-25-18 Date

Treasurer _____ Date

President _____ Date