EISNERAMPER

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Louisiana State Licensing Board for Contractors

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type and fiduciary activities of the Louisiana State Licensing Board for Contractors (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type and fiduciary activities of the Board as of December 31, 2025, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Correction of Error
As discussed in Note (1) of the financial statements, the beginning net position of the business-type activities has been restated to reflect corrections to the accounting for unearned revenues and license fee revenues. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note (1) to the financial statements, effective January 1, 2025, the Board adopted new accounting guidance Governmental Accounting Standards Board Statement No. 103, Financial Reporting Model Improvements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The schedule of per diem paid to board members and schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of per diem paid to board members and schedule of compensation, benefits, and other payments to agency head are 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 August 25, 2026, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
August 25, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

The Management's Discussion and Analysis of the Louisiana State Licensing Board for Contractors (the "Board") financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes in net position, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the Board's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- The Board's total net position increased by $2,130,998 or 470% of the restated amount.
- The operating revenues of the Board increased by $1,470,942 or 19%.
- The operating expenses of the Board decreased by $1,299,534 or 15%.
- The net non-operating revenues and expenses of the Board increased $17,066 or 30%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: Management's Discussion and Analysis ("MD&A"), Basic Financial Statements, Required Supplementary Information, and Supplementary Information consisting of the schedules of Board Members' Per Diem and Compensation, Benefits, and Other Payments to Agency Head. Other than the MD&A, the Board's required supplementary information includes the Schedules of Changes in Total Other Post-Employment Benefits ("OPEB") Liability and Related Ratios, Employer's Proportionate Share of the Net Pension Liability, and Employer's Pension Contributions. These reports fulfill the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by the Governmental Accounting Standards Board ("GASB").

BASIC FINANCIAL STATEMENTS

The basic financial statements of the Board present information about the Board as a whole, in a format for Business-Type Activities designed to resemble that used in the private sector. 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 and related notes to the financial statements.

The Statement of Net Position presents the current and long-term portions of assets and liabilities separately. The difference between total assets plus deferred outflows and total liabilities plus deferred inflows is reported as net position. Over time, increases or decreases in net position could serve as a useful indicator of whether the financial condition of the Louisiana State Licensing Board for Contractors is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information on how the Board's assets changed as a result of current year's operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future fiscal periods.

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

The following presents condensed financial information on the operations of the Board:

Summary Statement of Net Position and Changes in Net Position

	2025	As restated 2024	Change
Assets			
Current assets	$ 11,218,422	$ 10,319,666	$ 898,756
Capital assets, net	10,663,352	10,119,004	544,348
Total assets	21,881,774	20,438,670	1,443,104
Deferred outflows	1,462,611	1,785,746	(323,135)
Liabilities			
Current liabilities	6,440,192	6,168,825	271,367
Noncurrent liabilities	13,271,608	14,638,744	(1,367,136)
Total liabilities	19,711,800	20,807,569	(1,095,769)
Deferred inflows	1,956,342	1,871,602	84,740
Net Position			
Net investment in capital assets	10,369,751	9,983,891	385,860
Unrestricted	(8,693,508)	(10,438,646)	1,745,138
Total net position	1,676,243	(454,755)	2,130,998
Operating revenues	$ 9,169,734	$ 7,698,792	$ 1,470,942
Operating expenses			
Salaries and benefits	4,533,560	6,310,584	(1,777,024)
Travel	319,580	230,788	88,792
Operating, supplies, repairs and maintenance	839,916	831,196	8,720
Professional	443,166	275,271	167,895
Depreciation and amortization	524,802	408,259	116,543
Contributions to CETF	451,032	355,492	95,540
Total operating expenses	7,112,056	8,411,590	(1,299,534)
Operating income (loss)	2,057,678	(712,798)	2,770,476
Non-operating revenues & expenses	73,320	56,254	17,066
Change in net position	2,130,998	(656,544)	2,787,542
Net Position - Beginning of Year	(454,755)	201,789	(656,544)
Net Postion - End of Year	$ 1,676,243	$ (454,755)	$ 2,130,998

The Board's financial condition is rather favorable in the short-term as current assets of $11,218,422 well exceed current liabilities of $6,440,192. This indicates an ability to satisfy obligations and conduct operations in the near-term. However, because of significant pension and other post-employment liabilities payable over the long-term that comprise most of the non-current liabilities of $13,271,608, the overall net position is significantly less. That said, the net position of $1,676,243 is much improved over the prior year's negative amount of $454,755, as restated.

Operating revenues of the Board increased by almost 20% as a result of asserted efforts by the Board to increase fees as the Board's oversight responsibilities have expanded through legislation. Existing fees were increased (within legislative authority) and new processing and administrative type fees were established in order to address added costs. Except for Salaries and benefits, operating expenses increased because of this expanded oversight role, and because of inflation and other factors. Salaries and benefits decreased significantly, primarily because of lower pension and other post-employment benefits contribution rates and changes in actuarial assumptions revealing a more positive outlook regarding the cost of future benefits.

The decrease in expenses, combined with an increase in revenues, contributed to a positive change in net position (or net income) of $2,130,998, compared to a negative change in net position (or net) loss of $656,544 for 2024 (as restated).

CAPITAL ASSETS

The Board's investment in capital assets as of December 31, 2025, amounts to $10,663,352 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and operating facilities, office furniture and equipment, vehicles, and subscription software (SBITA). The Board's net investment in capital assets for the current year increased by 5.4% due to purchases of vehicles and new accounting software.

Summary Schedule of Change in Capital Assets

	2025	2024	Change
Land and improvements	$ 2,887,704	$ 2,887,704	$ -
Buildings and operating facilities	8,011,253	7,819,091	192,162
Office, furniture and equipment	421,657	654,318	(232,661)
Automobiles	518,448	148,145	370,303
	11,839,062	11,509,258	329,804
Less accumulated depreciation	(1,637,547)	(1,566,915)	(70,632)
	10,201,515	9,942,343	259,172
Right-of-use lease assets	24,912	92,650	(67,738)
Less accumulated amortization	(2,076)	(71,727)	69,651
	22,836	20,923	1,913
SBITA	709,058	245,072	463,986
Less accumulated amortization	(270,057)	(89,334)	(180,723)
	439,001	155,738	283,263
Total investment in capital assets, net	$ 10,663,352	$ 10,119,004	$ 544,348

LONG-TERM OBLIGATIONS

The Board has not financed purchases or activities through external borrowing or incurring debt and thus does not have any outstanding bonds or notes for this or the previous fiscal year. Long-Term Obligations as of December 31, 2025, consist primarily of compensated absences liabilities of $476,791, a liability for Subscription Based Information Technology Assets (SBITA) of $270,668, the other postemployment benefit (OPEB) liability of $7,085,665 and the Net Pension Liability of $5,993,675. While the compensated absence and SBITA liabilities increased slightly from December 31, 2024, the OPEB and Net Pension Liabilities experienced sizeable decreases due to changes in economic conditions resulting in more favorable actuarial assumptions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Board was created in 1956 to protect the public from fraudulent, inexperienced, and incompetent contractors. Its authority includes monitoring of construction projects to ensure compliance with licensing requirements. Through its regulation and enforcement of contractor licensing laws, the Board promotes integrity in the construction industry. This role ensures a level playing field for companies licensed to do business in Louisiana.

The 2026 budget continues the Board's tradition of providing high quality services to the public while prudently managing the public's funds. The goal in preparing the budget has been to make recommendations consistent with the Board's long-term priorities to be fiscally responsible to the individuals we serve.

As of the date these financial statements were prepared, the total number of licenses to be issued and reflected in the 2026 budget was projected to be relatively consistent with 2025. Therefore, revenues are budgeted to be relatively consistent, but with a conservative 3% decrease. The costs of salaries and benefits will continue to be the primary driver of overall expenses, which are budgeted to increase at approximately 8% for 2026. The net revenue and expense is budgeted to essentially break even for 2026.

However, on the horizon exists the impacts of Act 908 of 2026 legislative session which abolishes the Louisiana State Plumbing Board and transferred the powers, duties, assets, obligations, and licensing functions of the State Plumbing Board to the Louisiana State Licensing Board for Contractors (the Board). Accordingly, the operations and financial picture of the Board will expand upon the date of the transfer effective January 1, 2027.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Louisiana State Licensing Board for Contractors, 600 North St., Baton Rouge, LA 70802.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 10,498,575
Investments	602,520
Other current assets	117,327
Total current assets	11,218,422
Noncurrent - Capital assets:	
Property and equipment, net	10,201,515
Right-to-use lease assets, net	22,836
Intangible right-to-use software agreements, net	439,001
Total capital assets, net	10,663,352
Total assets	21,881,774
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	708,381
Other postemployement benefits related	754,230
Total deferred outflows of resources	1,462,611
LIABILITIES	
Current liabilities:	
Accounts payable	492,848
Refunds payable	8,517
Due to Contractors' Educational Trust Fund	451,032
Unearned revenues	4,969,671
Current portion of long-term liabilities:	
Compensated absences payable	137,712
Lease liabilities	8,088
Software subscription liabilities	132,033
Total other post-employment benefits	240,291
Total current liabilities	6,440,192
Noncurrent liabilities:	
Noncurrent compensated absences	339,079
Lease liabilities	14,845
Software subscription liabilities	138,635
Total other post-employment benefits	6,845,374
Net pension liability	5,933,675
Total noncurrent liabilities	13,271,608
Total liabilities	19,711,800
DEFERRED INFLOWS OF RESOURCES	
Pension related	1,019,055
Other postemployement benefits related	937,287
Total deferred inflows of resources	1,956,342
NET POSITION	
Net investment in capital assets	10,369,751
Unrestricted	(8,693,508)
Total net position	$ 1,676,243

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Enterprise Fund
OPERATING REVENUES	
Licenses and fees	$ 9,169,734
OPERATING EXPENSES	
Salaries and benefits	4,533,560
Travel - field personnel	203,466
Travel - other	116,114
Operating services	657,999
Supplies	107,704
Professional services	443,166
Depreciation expense	321,082
Amortization expense	203,722
Repairs and maintenance	74,211
Contributions to the Contractors' Educational Trust Fund	451,032
Total operating expenses	7,112,056
Operating income (loss)	2,057,678
NONCAPITAL SUBSIDIES	
Total noncapital subsidies	-
Operating income (loss) and noncapital subsidies	2,057,678
OTHER NONOPERATING REVENUES (EXPENSES)	
Gain from the sale of capital assets	1,383
Investment income	93,774
Interest expense	(21,837)
Total other nonoperating revenues (expenses):	73,320
Increase in net position	2,130,998
Net position - beginning of year, *as reported*	3,145
Restatement (Note 1)	(457,900)
Net position - beginning of year, *as restated*	(454,755)
Net position - end of year	$ 1,676,243

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS, GOVERNOR'S OFFICE, STATE OF LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

		Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from licensees and applicants	$	9,149,949
Cash paid to employees for services		(5,522,365)
Cash paid to suppliers for goods and services		(1,831,176)
Net cash provided by operating activities		1,796,408
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments		(25,426)
Interest received on investments		93,774
Net cash provided by investing activities		68,348
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Sale of capital assets		1,383
Purchases of capital assets		(580,254)
Payments for leases (principle)		(23,721)
Payments for SBITAs		(306,687)
Interest paid		(21,837)
Net cash used in capital and related financing activities		(931,116)
Net increase (decrease) in cash and cash equivalents		933,640
Cash balance - beginning of the year		9,564,935
Cash balance - end of the year	$	10,498,575
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	2,057,678
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation		321,082
Right-to-use lease amortization		22,999
SBITA amortization		180,723
(Increase) decrease in assets and deferred outflows:		
Other current assets		60,310
Deferred outflows		323,135
Increase (decrease) in liabilities and deferred inflows:		
Compensated absences payable		46,654
Refunds payable		(33,513)
Accounts payable		66,668
Unearned revenue		13,726
Due to CETF		95,540
OPEB liability		(213,949)
Net pension liability		(1,229,385)
Deferred inflows		84,740
Net cash provided by operating activities	$	1,796,408
NONCASH TRANSACTIONS		
Addition of subscription based IT programs	$	378,303
Addition of right-to-use lease assets	$	24,911

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND
DECEMBER 31, 2025

	Custodial Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,331,200
Total assets	1,331,200
LIABILITIES	-
FIDUCIARY NET POSITION	
Restricted for colleges and universities	$ 1,331,200

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Fund
ADDITIONS	
Contributions:	
Voluntary construction education	$ 1,331,200
DEDUCTIONS	
Distributions to others:	
Colleges and universities	1,578,400
Net decrease in fiduciary net position	(247,200)
Fiduciary net position - beginning of year	1,578,400
Fiduciary net position - end of year	$ 1,331,200

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Nature of Operations

The Louisiana State Licensing Board for Contractors (the "Board") is a component unit of the State of Louisiana created within the Governor's office, as provided by Louisiana Revised Statute ("R.S.") 37:2151. The Board is statutorily composed of 19 members appointed by the Governor, who serve terms of two to six years. In addition, the Residential Building Contractors Subcommittee consist of 5 members appointed by the Governor and two ex officio members, the Chairman and Vice Chairman, appointed by the Louisiana State Licensing Board of Contractors. The Board is charged with the responsibility of licensing and regulating contractors doing business in the state of Louisiana. In addition, it is responsible for the health, safety, and general welfare of the general public and providing effective and practical protection against incompetent, inexperienced, unlawful, and/or fraudulent acts of contractors.

The Louisiana State Uniform Construction Code Council (LSUCCC or "Council") was created in 2005 by Act 12 of the Legislature as provided by Louisiana R.S. 40:1730.21 – 40:1730.40. In 2025, the Louisiana Legislature passed Act 120, Senate Bill No. 228 transferring its power and duties under the Board. The Board now exercises the Council's duties, functions, and responsibilities under the management of the Board's Executive Director. The Executive Director has the authority to use the Board's funds for the operations of the Council. The Council is composed of 17 members appointed by the Governor. The Council's purpose is to maintain reasonable standards of construction in buildings and other structures in the state consistent with the public health, safety, and welfare of its citizens. The primary function of the Council is to review and adopt the state uniform construction code, provide training and education of code officials, and accept all requests for amendments of the code (excluding the LA Plumbing Code).

Furthermore, legislative intent is that the Board shall monitor construction projects to ensure compliance with the licensure requirements. The Board's operations are financed with self-generated revenues, such as license, examination, and other related fees. As of December 31, 2025, there were approximately 20,000 licensed contractors in the state. The Board has 53 full-time employees.

Reporting Entity

Government Accounting Standards Board ("GASB") Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit (enterprise fund) of the State of Louisiana because the state exercises oversight responsibility in that the Governor appoints the Board members, and public service is rendered within the state's boundaries. The accompanying financial statements present information only as to the transactions and the activities of the Board.

Basis of Statement Presentation

GASB is the accepted standard setting body for establishing governmental accounting principles and reporting standards. The principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

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

Fund Accounting

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

Fiduciary Funds can include trust funds and custodial funds and are used to account for activities that are fiduciary in nature in which the Board holds or collects funds for other parties. The Board's funds include a single-business-type activity enterprise fund accounting for the majority of its operations funded through fee revenue, and a Fiduciary-Type custodial fund for the collection of donations on behalf of colleges and universities for construction education.

Basis of accounting refers to when assets, liabilities, revenues and expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Board, for both the Business-Type activities and the fiduciary fund are accounted for by a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included in the Statement of Net Position. Separate financial statements are presented for the Business-Type activities and the Fiduciary-Type custodial fund.

Revenue and Expense Recognition

The Board uses the following practices in recording revenues and expenses:

Revenues
Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable, not when they are received.

Expenses
Expenses are generally recognized on an accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

Non-operating Revenues and Expenses
Proprietary funds distinguish operating revenues and expenses from non-operating items. In accordance with GASB Statement No. 103, non-operating revenues and expenses consist of non-capital subsidies, capital subsidies, interest and investment income, interest expense and certain other items as defined by the standard. All other revenues and expenses are generally considered operating.

Unearned Revenues
Unearned revenues arise when potential revenues are collected or received prior to being earned.

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

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with a fiscal agent bank and another bank. Under state law, the Board may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts, and share certificates of accounts of federal or state-chartered credit unions.

Cash and cash equivalents are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. On December 31, 2025, the Board had $11,773,602 in deposits (collected bank balances). These deposit balances are secured from risk by $308,323 of federal deposit insurance and $11,465,279 of pledged securities.

Investments

Short-term investments other than those invested in the Louisiana Asset Management Pool (LAMP) are stated at amortized cost, which approximates market value. LAMP investments are stated at fair value.

Capital Assets

Capital assets consist of office and computer equipment, software, vehicles, lease assets, and SBITA's and the Board's office building and are capitalized at historical costs. These assets, net of accumulated depreciation, are included on the Statement of Net Position. The Board follows the Louisiana Property Assistance Agency ("LPAA") policy for capitalizing and reporting equipment. However, according to the Office of Statewide Reporting and Accounting Policy's instructions, all types of capital assets are subject to varying thresholds based on their nature. The Board has elected to set a threshold for capitalization at a level of $5,000 for all capital assets. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets. All would-be capital assets with costs less than the above thresholds are charged as an expense.

The useful lives are as follows:

Computer equipment	5 years
Office furniture and equipment	6-10 years
Vehicles	5 years
Buildings and building improvements	7-40 years
Land improvements	20 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

1. Summary of Significant Accounting Policies (continued)

Leases

The Board accounts for leases in accordance with GASB Statement No. 87, Leases, which requires recognition of lease assets and liabilities for leases previously classified as operating leases under prior guidance. A lease is defined as a contract that conveys control of the right to use another entity's non-financial asset (such as buildings, land, vehicles, or equipment) for a period of time in exchange for consideration. Under GASB 87, at the commencement of the lease term, the Board recognizes a lease liability equal to the present value of payments expected to be made during the lease term, discounted using the interest rate implicit in the lease (or the government's incremental borrowing rate if the implicit rate is not readily determinable). A lease asset is also recorded, equal to the initial lease liability, plus any payments made to the lessor at or before the commencement date and certain direct costs. Lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities are reduced as payments are made and interest expense is recognized.

Subscription-Based IT Arrangements (SBITA)

The Board accounts for Subscription-Based Information Technology Arrangements (SBITAs) in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which establishes accounting and financial reporting standards for SBITAs.

A SBITA is defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, for a period of time in exchange for consideration. Under GASB 96, at the commencement of the subscription term, the government recognizes a subscription asset, measured as the amount equal to sum of the discounted present value of the subscription payments over the term of contract, plus payments made to the vendor before commencement and implementation costs, and a corresponding liability for the discounted subscription payments. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset. The subscription liability is reduced as payments are made and interest expense is recognized.

Long-term Obligations

Long-term obligations as of December 31, 2025, include compensated absences, software subscription liabilities, lease liabilities, other postemployment benefit obligations, and net pension liabilities that will not be paid within the next fiscal year.

Pensions

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

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

Other Post-Employment Benefits

The Board provides other postemployment benefits (OPEB) to eligible retirees, which primarily include healthcare, dental, vision, and life insurance coverage. These benefits are provided through the State of Louisiana's Office of Group Benefits through an agent multi-employer plan and are accounted for in accordance with GASB Statement No. 75. The Board recognizes its proportionate share of the plan's total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense in its financial statements. The OPEB plan has placed no funds within an irrevocable trust and therefore the total OPEB liability is reported on the Board's financial statements.

Employee Compensated Absences

Employees of the Board earn and accumulate annual and sick leave at varying rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as an expense and a liability in the financial statement in the period in which the leave is earned. This liability includes amounts for employees' earned but unused vacation and sick leave, where applicable, that is expected to be paid in future periods. The accrual is based on current employee pay rates and the probability of future payment. The liability is reviewed periodically and adjusted for changes in compensation rates, employee turnover, and usage patterns.

Net Position

Net position comprises the various net earnings from operation, non-operating revenues, expenses, and contributions of capital. Net position is classified in the following components, as applicable:

Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position Restricted net position represents resources that are subject to externally imposed restrictions, such as those imposed by creditors, grantors, contributors, or laws and regulations.

Unrestricted Net Position consists of all other net resources that do not meet the definition of restricted net position or net investments in capital assets.

When both restricted and unrestricted resources are available for use, it is the policy of the entity to use restricted resources first, then unrestricted resources as they are needed.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and thus will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Accounting Changes and Correction of Errors

The Board follows the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. Under this Statement, the accounting and financial reporting requirements for accounting changes and error corrections will provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

During 2025, the Board determined that certain occupational licensing review program (OLRP) fees and license processing fees had been accounted for incorrectly in prior periods. These fees were previously recognized as revenue when collected. Upon further evaluation of the nature of the services provided, the Board concluded that the fees relate to services performed throughout the license period, including investigations, background checks, and ongoing insurance verification activities. Accordingly, these fees should be recognized as revenue over the license term, with the unearned portion reported as unearned revenue.

The prior accounting treatment represented an error in the application of accounting principles as defined by GASB Statement No. 100, Accounting Changes and Error Corrections. Accordingly, the error has been corrected through a restatement of beginning net position as of January 1, 2025.

The correction increased unearned revenue by $457,900 and decreased beginning net position by the same amount as of January 1, 2025. In addition, had the error been corrected in prior periods, license fee revenue and change in net position would have been decreased by $54,500 for the year ended December 31, 2024.

1. Summary of Significant Accounting Policies (continued)

Accounting Changes and Correction of Errors (continued)

The effects of the restatement to the December 31, 2024 net position are as follows:

Enterprise Fund:		
Net position as of December 31, 2024, *as reported*	$	3,145
Error correction - unearned revenue recognition		(457,900)
Net position as of December 31, 2024, *as restated*	$	(454,755)

Newly Adopted Accounting Standards

GASB Statement 103, *Financial Reporting Model Improvements* was implemented for the 2025 reporting year. This Statement is intended to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Key features of this new standard that are applicable and were adopted by the Board include enhanced analysis of operations and balances within management's discussion and analysis, and new classifications and reporting categories within the statement of revenues, expenses, and changes in net position for non-capital subsidies, other non-operating revenue, and unusual and infrequent items. The implementation of this standard resulted in the presentation of the category of non-capital subsidies (although none are reported for 2025) and other nonoperating revenue, reclassification of Contractors' Educational Trust Fund remittances from non-operating expense to operating expense, and greater depth of explanation of the variances between the 2025 reported amounts in comparison to 2024 within management's discussion and analysis.

2. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents:

As of December 31, 2025, the Board has deposits totaling $11,829,775 (book balances). All book balances are in demand deposit accounts.

Investments:

The Licensing Board is subject to the provisions of Louisiana Revised Statute 33:2955, which is entitled "Investments by political subdivisions." This law, among other things, outlines the types of securities that public entities in Louisiana may acquire and hold as investments. These include U.S. Government and agency securities, and certificates of deposit of banks domiciled or having a branch office in the state of Louisiana. The Licensing Board only has investments in Louisiana Asset Management Pool ("LAMP").

2. <u>Cash and Cash Equivalents and Investments</u> (continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955. The following table provides information on the credit ratings, maturity dates, and fair values associated with the Board's investments as of December 31, 2025. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

	Rating	Maturity Dates	
Louisiana Asset Management Pool, Inc.	AAAm	N/A	$ 602,520

GASB Statement No. 40 Deposit and Investment Risk Disclosure requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to an extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- <u>Credit risk</u>: LAMP is rated AAAm by Standard & Poor's.
- <u>Custodial credit risk</u>: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- <u>Concentration of credit risk</u>: Pooled investments are excluded from the 5 percent disclosure requirement.
- <u>Interest rate risk</u>: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity ("WAM") method. The WAM of LAMP assets is restricted to not more than 90 days. To provide for the required liquidity for withdrawals from LAMP, all investments shall have, at the time of purchase, a maximum remaining maturity of 397 days or 762 days for U.S. Government floating/variable-rate investments, and the dollar weighted-average maturity of LAMP shall not generally exceed 60 days.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTES TO FINANCIAL STATEMENTS

3. Capital Assets

A summary of changes in property and equipment, right-to-use leased assets, and subscriptions for the year ended December 31, 2025, is as follows:

	Beginning of Year	Additions	Reductions	End of Year
Capital Assets:				
Land and improvements	$ 2,887,704	$ -	$ -	$ 2,887,704
Buildings and improvements	7,819,091	192,162	-	8,011,253
Office, furniture, and equipment	654,318	17,789	(250,450)	421,657
Vehicles	148,145	370,303	-	518,448
	11,509,258	580,254	(250,450)	11,839,062
Less accumulated depreciation	(1,566,915)	(321,082)	250,450	(1,637,547)
Total Land, Buildings and Equipment, net	9,942,343	259,172	-	10,201,515
Right-To-Use Lease Assets				
Office equipment	92,650	24,912	(92,650)	24,912
Less accumulated amortization	(71,727)	(22,999)	92,650	(2,076)
Total Right-To-Use Lease Assets, net	20,923	1,913	-	22,836
Subscription-Based Information Technology Arrangement Assets (SBITA)				
Subscriptions	245,072	463,986	-	709,058
Less accumulated amortization	(89,334)	(180,723)	-	(270,057)
Total Subscription-Based Information Technology Arrangement Assets, net	155,738	283,263	-	439,001
Total Capital Assets, net	$ 10,119,004	$ 544,348	$ -	$ 10,663,352

Amortization of the right-to-use leased and SBITA assets is computed by the straight-line method over the estimated contract period. Amortization of the right-to-use leased and SBITA assets was $22,999 and $180,723, respectively for the year ended December 31, 2025, and reported within amortization expenses under operating expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

The Board has several contracts qualifying as SBITA's under GASB Statement No. 96 for legal research, cybersecurity, and other operational functions, for which assets and liabilities are recorded as explained in the significant accounting policies. All SBITAs entered into by the Board utilized the average risk-free discount rate of 4.00% to measure present value of the cash flow for determining the assets and liabilities.

3. **Capital Assets** (continued)

A summary of the principal and interest amounts for the outstanding and active arrangements includes the following principal and interest payments:

Fiscal Year Ending	Principal	Interest	Total
2026	$ 132,033	$ 9,608	$ 141,641
2027	138,635	4,300	142,935
Total	$ 270,668	$ 13,908	$ 284,576

The Board has leased equipment qualifying for accounting treatment under GASB Statement No. 87, *Leases*. The recorded assets and liabilities as explained in the significant accounting policies were measured using a discount rate of 3.47%. The following schedule summarizes the future principal and interest requirements for the leased office equipment on December 31, 2025:

Fiscal Year Ending	Principal	Interest	Total
2026	$ 8,088	$ 691	$ 8,779
2027	8,373	407	8,780
2028	6,472	113	6,585
Total	$ 22,933	$ 1,211	$ 24,144

4. **Pension Plan**

Plan Description
Substantially all employees of the Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System ("LASERS"). Section 401 of Title 11 of La. R.S. 11:401 established the plan and 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 it is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits
The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. 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, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable services depending on their plan.

4. Pension Plan (continued)

Retirement Benefits (continued)

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. The plan also features certain disability and survivor benefits upon experiencing a qualifying disability or death.

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, the accumulated retirement benefits that would have been paid to each retiree are separately tracked.

Contributions

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

Rates for the year ending December 31, 2025 are as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
January 1 - June 30, 2025			
Regular Employees hired before 7/1/2006	Closed	7.5%	34.74%
Regular Employees hired on or after 7/1/2006	Closed	8.0%	34.74%
Regular Employees hired after 1/1/2011	Closed	8.0%	34.74%
Regular Employees hired on or after 7/1/15	Open	8.0%	34.74%
July 1 - December 31, 2025			
Regular Employees hired before 7/1/2006	Closed	7.5%	33.15%
Regular Employees hired on or after 7/1/2006	Closed	8.0%	33.15%
Regular Employees hired after 1/1/2011	Closed	8.0%	33.15%
Regular Employees hired on or after 7/1/15	Open	8.0%	33.15%

The Board's contractually required composite contribution rates for the year ending December 31, 2025 are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Board were $1,197,512 for the year ended December 31, 2025.

4. Pension Plan (continued)

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

On December 31, 2025, the Employer reported a liability of $5,933,675 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2025 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Board's proportion of the Net Pension Liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Board's proportion was 0.1316%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2024. For the year ended December 31, 2025, the Board recognized pension expense of $226,477.

At December 31, 2025, 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
Differences between expected and actual experience	$ 82,423	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,016,170)
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,596	(2,885)
Board contributions subsequent to the measurement date	624,362	-
Total	$ 708,381	$ (1,019,055)

Amounts reported as deferred outflows of resources of $624,362 resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are recognized in pension expense over an average estimated remaining service life of 2 years, except for amounts for investment differences which are amortized over 5 years, and future expense recognition is as follows:

Year ended December 31:	LASERS
2026	$ 128,056
2027	(502,505)
2028	(387,005)
2029	(173,582)
	$ (935,036)

4. Pension Plan (continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum, net of investment expenses
Inflation Rate	2.40% per annum
Mortality	**Non-disabled members:** The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. **Disabled members** – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.
Salary Increases	Salary increases were projected based on 2019-2023 experience study of the System's members. The salary increase ranges for 2025 and 2024 specific types of members are:

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

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

The investment rate of return used in the actuarial valuation for funding purposes was 7.25%. The net return available to fund regular plan benefits is 7.25%, which is the same as the discount rate.

4. **Pension Plan** (continued)

Actuarial Assumptions (continued)

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 adjusting for expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 2.40% for 2025 and 2024. The resulting expected long-term nominal rates of return is 8.30% for 2025.

Expected Long Term Real Rates of Return

LASERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.85%
Domestic equity	34.00%	4.42%
International equity	17.00%	5.22%
Domestic fixed income	3.00%	2.53%
International fixed income	19.00%	5.37%
Alternative investments	27.00%	7.43%
Total Fund	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those 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.

4. Pension Plan (continued)

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

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 7.25% for June 30, 2025 and 2024, as well as what the employers' 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.

Changes in Discount Rate

	1% Decrease	Current Discount Rate	1% Increase
Share of net pension liability	$ 9,032,391	$ 5,933,675	$ 3,870,420

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2025 Annual Comprehensive Financial Report at www.lasersonline.org.

Payable to the Pension Plan

Included in accrued expense liabilities is $136,336 payable to the System which was remitted subsequent to December 31, 2025.

5. Postemployment Health Care and Life Insurance Benefits

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all employees of the Board become eligible for these benefits if they reach normal retirement age of the applicable retirement system while working for the Board and are covered by an active medical plan immediately prior to retirement.

Plan Description. Employees of the Board may participate in the State of Louisiana's OPEB Plan which is administered by the Office of Group Benefits (OGB). OGB offers several standard healthcare plans for both active and retired employees. OGB provides an agent multiple-employer defined benefit Other Postemployment Benefit (OPEB) Plan that provides medical, prescription drug, and life insurance benefits to eligible retirees and their eligible beneficiaries. The postemployment benefits plan is a cost-sharing, multiple-employer defined benefit plan, but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust.

5. <u>Postemployment Health Care and Life Insurance Benefits</u> (continued)

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Participants are eligible for plan benefits if they retire under one of the state retirement systems and are covered by the active medical plan immediately before retirement. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. 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, and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

The OGB does not issue a publicly available financial report of the OPEB Plan; however, the OGB Plan is included in the state of Louisiana's Annual Comprehensive Financial Report (ACFR). You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

<u>Funding Policy.</u> The OPEB plan is currently funded on a "pay-as-you-go basis" through a combination of retiree and Board contributions. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the OPEB Plan and if the member has Medicare coverage.

<u>Employees Covered by Benefit Terms.</u> At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	38
Total	72

Total OPEB Liability

The Board's total OPEB liability of $7,085,665 was measured as of July 1, 2025, and was determined by an actuarial valuation as of that date. 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. As of July 1, 2025, the most recent measurement date, the Board's proportion was 0.0938%, or an increase of 0.0003% from the prior measurement date.

<u>Actuarial Assumptions and other inputs.</u> The total OPEB liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

For active lives, the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, and then projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021. For healthy retiree lives, the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021. For disabled retiree lives, the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement. The actuarial cost method employed is Entry Age normal, level percent of pay.

5. **Postemployment Health Care and Life Insurance Benefits** (continued)

Total OPEB Liability (continued)

Balance at December 31, 2024	$ 7,299,614
Changes for the year:	
Service cost	165,928
Interest	288,522
Differences between expected and actual experience	123,273
Changes in assumptions	(700,451)
Changes in proportionate share of liability	25,723
Benefit payments and net transfers	(116,944)
Net changes	(213,949)
Balance at December 31, 2025	$ 7,085,665

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease	Current Discount Rate (5.20%)	1% Increase
Total OPEB Liability	$ 8,133,744	$ 7,085,665	$ 6,229,813

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.25%) or 1-percentage-point higher (9.25%) than the current healthcare trend rates:

	1% Decrease	Current Cost Trend (8.25%)	1% Increase
Total OPEB Liability	$ 6,210,520	$ 7,085,665	$ 8,166,973

5. **Postemployment Health Care and Life Insurance Benefits** (continued)

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

For the year ending December 31, 2025, the Board recognized OPEB expense of $61,763. At December 31, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 163,771	$ -
Changes of assumptions	324,501	(685,518)
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	139,772	(251,769)
Board contributions subsequent to the measurement date	126,186	-
Total	$ 754,230	$ (937,287)

The deferred outflow for amounts for contributions subsequent to the measurement date will be recognized as reduction of the total OPEB liability in the year ended December 31, 2026. The other deferred outflows and deferred inflows of resources related to OPEB are recognized in OPEB expense over the estimated remaining services life of 4.7 years with future recognition as follows:

Year Ending December 31:	
2026	$ (15,988)
2027	220,340
2028	(431,554)
2029	(82,042)
2030	-
Thereafter	-
	$ (309,244)

The contribution requirements of plan members and the Board are established and amended by R.S. 42:801-883. Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB Plan (before or after January 1, 2002) and employee years of service at retirement. Retirees who begin participation as an employee or rejoin 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 the retiree is based on the following schedule:

5. Postemployment Health Care and Life Insurance Benefits (continued)

OBG Participation	Employer Share	Retiree Share
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 the individual retirees and spouses of retirees subject to maximum values. Employers pay 50% of the monthly premium for individual retirees. The retiree is responsible for 100% of the premium for dependents.

6. Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

7. Litigation and Claims

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the State's risk management program, or by State General Fund appropriation.

8. Unearned Revenue

Unearned revenue of $4,969,671 as reflected on the Statement of Net Position represents payments received prior to the fiscal year-end from applicants for licensed periods beyond December 31, 2025. Such payments will be recognized as revenue through the remaining periods of each respective license; 2 -3 years.

9. Long Term Obligations

The following is a summary of long-term obligations and changes thereto for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Amounts Due Within One Year
Subscription-Based Information Technology Arrangements	$ 113,370	$ 378,303	$ (221,005)	$ 270,668	$ 132,033
Lease liability	21,743	24,911	(23,721)	22,933	8,088
Compensated absences payable	430,137	46,654	-	476,791	137,712
Net pension liability	7,163,060	-	(1,229,385)	5,933,675	-
Total OPEB liability	7,299,614	-	(213,949)	7,085,665	240,291
Total long-term liabilities	$ 15,027,924	$ 449,868	$ (1,688,060)	$ 13,789,732	$ 518,124

The additions to compensated absence liabilities represents a net amount of increases over decreases.

10. Collection and Distribution of Funds for Educational Purposes

Contractor's Educational Trust Fund

In 1991, the Board helped establish the Contractor's Educational Trust Fund ("CETF") with an initial transfer of $2.9 million of surplus funds. CETF was established to promote, encourage, and further the accomplishment of all activities that are or may benefit all persons engaged or interested in the construction vocation and the affording of such persons of effective and practical education, training, and instructions in the art of proper and lawful construction contracting in and for the State of Louisiana and other such activities that have a public purpose. The initial transfer of $2.9 million was used to fund various endowed professorships and chairs at Louisiana's colleges and universities for construction-related education. These funds were partially matched by the Board of Regents.

R.S. 37:2164 requires the Board to remit any fines and penalties collected, less attorney fees, courts costs and processing costs to the CETF upon the completion of the financial audit. The fines revenue and a corresponding expense and liability to the Trust are recognized when the fines are collected. During 2025, the Board assessed fines totaling $2,663,137. Collections of those fines plus previous years' fines totaling $451,032 are recognized as revenue and expense in the accompanying financial statements. CETF is administered by a group of trustees and continues to fund educational programs related to the construction vocation.

The Attorney General of Louisiana, in Attorney General Opinion 01-0264, has concluded that once the fines are remitted to the CETF, all the Board's title and interest in the fines are transferred to the CETF trustees and the Board's responsibility for the fines ceases.

Voluntary Donations for Colleges and Universities

R.S. 37:2156(k) provided that the Board shall include on each license renewal form issued to a contractor an optional election, whereby the contractor may choose to donate additional funds to a specified public university within Louisiana that offers an accredited, degreed program in the field of construction management. Any such donated funds received by the university shall be used solely for the benefit of their construction management programs.

10. Collection and Distribution of Funds for Educational Purposes (continued)

In accordance with R.S. 37:2156(k), the board shall assess on each license renewal issued to a contractor an additional fee of one hundred dollars per year to be dedicated and allocated as provided in this Paragraph to any public university in this state or any community college school of construction management or construction technology in this state that is accredited by either the American Council for Construction Education or the Accreditation Board for Engineering and Technology. The board shall include on each license renewal form issued to a contractor an optional election whereby the contractor may choose not to participate in the remission of the additional one-hundred-dollar dedication fee. (b) Each January, each accredited public university or community college school of construction management or construction technology shall report to the board the number of graduates from its school of construction management or construction technology from the previous calendar year. (c) Any and all funds collected pursuant to this Paragraph shall be disbursed to the accredited public university or community college schools of construction management or construction technology by August first of each year upon completion of the annual audit of the board. The funds shall be used by the accredited public university or community college schools of construction management or construction technology solely for the benefit of their program and the expenditure of such funds shall be approved by the industry advisory council or board for the program. The funds collected pursuant to this Paragraph shall be in addition to any other monies received by such schools and are intended to supplement and not replace, displace, or supplant any other funds received from the state or from any other source. Any school of construction management or construction technology that experiences a decrease in the funding appropriated to them by the accredited public university or community college as determined by the industry advisory council or board for the program shall be ineligible for participation under the provisions of this Paragraph, and the monies from the fund for such school of construction management or construction technology shall be redistributed on a pro rata basis to all other accredited and eligible schools. (d) The funds collected pursuant to this Subsection shall be distributed as follows: (i) One-half on a pro rata basis to each accredited public university's or community college's schools of construction management or construction technology. However, each accredited public university shall receive twice as much funds as each community college. (ii) One-half pro rata to each accredited public university school of construction management or construction technology based on the total number of graduates from the previous calendar year from each school as reported to the board. (e) No funds shall be allocated to any public university or community college school of construction management or construction technology that does not maintain current and active accreditation as required by this Paragraph.

The collection and distribution of the voluntary educational donations is accounted for through the Board's custodial fiduciary fund. On December 31, 2025, cash and cash equivalents were $1,331,200 had been collected and waiting to be disbursed to Louisiana colleges and universities.

11. Current Accounting Standards Scheduled to be Implemented

Following is a summary of the accounting standards adopted by the GASB that are scheduled to be implemented in the future that may affect the Board's financial report:

11. Current Accounting Standards Scheduled to be Implemented (continued)

GASB Statement 104, *Disclosure of Certain Capital Assets*. This statement is intended to provide users of government financial statements with essential information about certain types of capital assets and requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement 34. Lease assets recognized in accordance with GASB Statement 87 and subscription assets recognized in GASB Statement 96 should be disclosed separately by major class of underlying asset in the capital assets note disclosures. This statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Board will include the requirements of this statement, as applicable, in its December 31, 2026 financial statement.

GASB Statement No. 105, *Subsequent Events*. This statement is intended to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The statement also requires the date through which subsequent events have been evaluated to be disclosed. This statement clarifies the subsequent events that constitute recognized and unrecognized events and establishes specific note disclosures for nonrecognized events. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Board will include the requirements of this statement, as applicable, in its December 31, 2027 financial statements.

12. Subsequent Events

In 2025, the Louisiana State Uniform Construction Code Council ("Council") was placed within the Board and will exercise its duties, functions, and responsibilities under the management of the Board's Executive Director. The Council's operations were absorbed and funded by the Louisiana State Licensing Board's (the Board's) budget.

Act 881 of the 2026 Louisiana Legislature (House Bill 1186) created the Louisiana Uniform Construction Code Commission (Commission), replacing the Louisiana State Uniform Construction Code Council. The Commission, a separate legal entity under the direct Authority of the Governor, will license construction code inspectors, perform enforcement activities, and establish and collect fees from licensees. The Commission does not maintain its own staff and plans to enter into agreements with the Board for operational and administrative support, and reimbursement of expenses. The Statute provides that the Executive Director of the Board will serve as the Executive Director of the Commission. The total impact to the Board as a result of this subsequent event has not been fully determined as of the date of release of these financial statements, however, the impact is expected to be minimal.

Act 908 of the 2026 Louisiana Legislature (House Bill 953) abolishes the Louisiana State Plumbing Board and transfers the powers, duties, assets, obligations, and licensing functions of the State Plumbing Board to the Louisiana State Licensing Board for Contractors (the Board). The legislation specifically grants the Board authority to license and regulate plumbers, perform enforcement activities and establish and collect fees from licensees. The total financial impact to the Board as a result of this subsequent event has not been determined as of the date of release of these financial statements, however, the impact is expected to be material.

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2025

Financial statement reporting date	Measurement date	Service cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning*	Total OPEB liability - ending*	Covered employee payroll	Total OPEB liability as a percentage of covered employee payroll
12/31/2025	6/30/2025	$ 165,928	$ 288,522	$ 123,273	$ (674,728)	$ (116,944)	$ (213,949)	$ 7,299,614	$ 7,085,665	$ 3,443,052	205.80%
12/31/2024	6/30/2024	128,447	275,367	72,835	462,006	(106,447)	832,208	6,467,406	7,299,614	3,388,115	215.45%
12/31/2023	6/30/2023	98,101	209,544	1,028,441	219,027	(223,636)	1,331,477	5,135,929	6,467,406	2,991,445	216.20%
12/31/2022	6/30/2022	176,388	149,591	374,623	(2,149,095)	(201,197)	(1,649,690)	6,785,619	5,135,929	2,731,379	188.03%
12/31/2021	6/30/2021	140,024	168,324	(118,605)	510,994	(204,822)	495,915	6,289,704	6,785,619	2,592,821	261.71%
12/31/2020	6/30/2020	119,960	167,277	205,576	(12,120)	(132,342)	348,351	5,941,353	6,289,704	2,497,467	251.84%
12/31/2019	6/30/2019	169,291	205,662	(116,848)	(940,362)	(215,404)	(897,661)	6,839,014	5,941,353	2,486,360	238.96%
12/31/2018	6/30/2018	184,264	221,524	(47,044)	(285,941)	(251,991)	(179,188)	7,018,202	6,839,014	2,429,465	281.50%
12/31/2017	6/30/2017	198,457	201,278	-	(483,466)	(251,991)	(335,722)	7,353,924	7,018,202	2,276,674	308.27%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

* - as restated

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS, GOVERNOR'S OFFICE, STATE OF LOUISIANA

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED DECEMBER 31, 2025 (*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System						
	2025	0.1316%	$ 5,933,675	$ 3,265,507	181.7076%	79.30%
	2024	0.1317%	7,163,060	3,053,066	234.6186%	74.60%
	2023	0.1253%	8,388,798	2,731,379	307.1268%	68.40%
	2022	0.1236%	9,346,940	2,592,821	360.4931%	63.70%
	2021	0.1249%	6,877,053	2,497,467	275.3611%	72.80%
	2020	0.1182%	9,778,163	2,486,360	393.2722%	58.00%
	2019	0.1243%	9,008,687	2,429,465	370.8095%	62.90%
	2018	0.1214%	8,282,256	2,276,674	363.7875%	64.30%
	2017	0.1249%	8,790,091	2,390,523	367.7058%	62.50%
	2016	0.1249%	9,809,722	2,308,365	424.9641%	57.70%

(*) The amounts presented have a measurement date of June 30th of the fiscal year-end.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Pension Plan	Year	Contractually Required Contribution[1]	Contributions in Relation to Contractually Required Contribution[2]	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Louisiana State Employees' Retirement System						
	2025	$ 1,197,512	$ 1,197,512	$ -	$ 3,533,271	33.8924%
	2024	1,214,793	1,214,793	-	3,198,018	37.9858%
	2023	1,202,454	1,202,454	-	2,941,455	40.8796%
	2022	1,063,997	1,063,997	-	2,662,738	39.9588%
	2021	1,012,698	1,012,698	-	2,544,693	39.7965%
	2020	997,030	997,030	-	2,485,774	40.1094%
	2019	970,952	970,952	-	2,470,215	39.3064%
	2018	891,348	891,348	-	2,351,843	37.9000%
	2017	926,947	926,947	-	2,279,028	40.6729%
	2016	843,849	843,849	-	2,314,939	36.4523%

For reference only:

[1] *Employer contribution rate multiplied by covered payroll*

[2] *Actual employer contributions remitted to the Retirement System*

Changes of Benefit Terms:

Louisiana State Employees' Retirement System

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

2017 - Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015.

2022 - Act 37 of the 2021 Louisiana Regular Legislative Session provides a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than $1,450, and have not participated in DROP or the Initial Benefit Option The benefit increase is the lesser of $300 per month of the amount needed to increase the monthly benefit to $1,450

2025 - Act 184 of the 2023 Louisiana Regular Legislative Session established a component of the required employer contribution rate called the COLA Account Funding Contribution (AFC) rate and set the AFC rate for fiscal year 2023-2024 at zero. Beginning in fiscal years 2024-2025, the COLA Account will be funded with direct employer contributions paid via the new AFC rate. The balances in the COLA Account accrue interest at the actuarial rate of return during the prior year. The account is limited to the reserve necessary to grant two COLAs of up to 2% points and the balance may not fall below zero. COLAs are limited to 2.0%, unless otherwise approved by the legislature, and are payable on the first $60,000 of a recipient benefit (restrictions to benefits apply).

Changes of Assumptions:

Louisiana State Employees Retirement System

The changes in actuarial assumptions for each year are as follows:

Discount Rate:

Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	7.250%	0.000%
12/31/2024	6/30/2024	7.250%	0.000%
12/31/2023	6/30/2023	7.250%	-0 150%
12/31/2022	6/30/2022	7.400%	-0.150%
12/31/2021	6/30/2021	7.550%	-0 050%
12/31/2020	6/30/2020	7.600%	-0 050%
12/31/2019	6/30/2019	7.650%	-0 050%
12/31/2018	6/30/2018	7.700%	-0 050%
12/31/2017	6/30/2017	7.750%	0.000%
12/31/2016	6/30/2016	7.750%	

Investment rate of return:

Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	7 250%	0.000%
12/31/2024	6/30/2024	7.250%	0.000%
12/31/2023	6/30/2023	7 250%	-0.150%
12/31/2022	6/30/2022	7.400%	-0.150%
12/31/2021	6/30/2021	7 550%	-0.050%
12/31/2020	6/30/2020	7 600%	-0.050%
12/31/2019	6/30/2019	7 650%	-0.050%
12/31/2018	6/30/2018	7 700%	-0.050%
12/31/2017	6/30/2017	7.750%	0.000%
12/31/2016	6/30/2016	7 750%	

Inflation Rate:

Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	2.400%	0.000%
12/31/2024	6/30/2024	2.400%	0.100%
12/31/2023	6/30/2023	2.300%	0.000%
12/31/2022	6/30/2022	2.300%	0.000%
12/31/2021	6/30/2021	2.300%	-0.200%
12/31/2020	6/30/2020	2.500%	-0 250%
12/31/2019	6/30/2019	2.750%	0.050%
12/31/2018	6/30/2018	2.700%	-0 175%
12/31/2017	6/30/2017	2.875%	0.000%
12/31/2016	6/30/2016	2.875%	

Salary Increases*:

Year End	Measurement date	Rates **
12/31/2025	6/30/2025	3.300% - 14.000%
12/31/2024	6/30/2024	3.300% - 14.000%
12/31/2023	6/30/2023	3.000% - 13.800%
12/31/2022	6/30/2022	3.000% - 13.800%
12/31/2021	6/30/2021	3.000% - 13.800%
12/31/2020	6/30/2020	2.800% - 14.000%
12/31/2019	6/30/2019	2.800% - 14.300%
12/31/2018	6/30/2018	2.800% - 14.300%
12/31/2017	6/30/2017	3.000% - 14.500%
12/31/2016	6/30/2016	3.000% - 14.500%

* varies depending on duration of service

** Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges are only listed for regular members.

(continued)

Changes of Assumptions: (continued)

Louisiana State Employees Retirement System (continued)

The changes in actuarial assumptions for each year are as follows: (continued)

Mortality table:

2025	No changes to the mortality-related assumptions noted for the current year
2024	For non-disabled members mortality rates were based on the PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. For disabled members mortality rates were based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
2021	For non-disabled members, mortality rates were based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018
2019	For non-disabled members, mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale. applied on a fully generational basis.
2018	For non-disabled members, mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Other Post-employment Benefit Plan

Changes in benefit terms: There were no changes in plan provisions since the prior valuation.

Changes of assumptions:

The changes in actuarial assumptions and other inputs for each year are as follows:

Discount Rate:

Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	5.200%	1.270%
12/31/2024	6/30/2024	3.930%	-0 200%
12/31/2023	6/30/2023	4.130%	0.040%
12/31/2022	6/30/2022	4.090%	1.910%
12/31/2021	6/30/2021	2.180%	-0 480%
12/31/2020	6/30/2020	2.660%	-0.130%
12/31/2019	6/30/2019	2.790%	-0 190%
12/31/2018	6/30/2018	2.980%	-0.150%
12/31/2017	6/30/2017	3.130%	

The discount rate increased from 3.93% (based on the Bond Buyer 20 Index) as of June 30, 2024 to 5.20% (based on the Bond Buyer 20 Index) as of June 30, 2025 since the previous valuation, which decreased the Plan's liability

Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2025 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan's liability

The Medicare trend was updated to be the same as the Pre-Medicare trend, which more accurately reflects recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. The initial trend rate was developed using our National Health Care Trend Survey. The ultimate trend is developed based on a building block approach which considers CPI, GDP and Technology growth. The Medicare healthcare cost trend was revised to 8 25%, trending down to an ultimate rate of 4 50% by FYE 2035.

Also, the medical plan election percentages were updated based on the coverage elections of recent retirees

The actuary relied upon the assumptions used in the June 30, 2025 Louisiana State Employees' Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions There were no changes in assumptions or methods from the prior valuation report.

(concluded)

OTHER SUPPLEMENTARY INFORMATION

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2025

Commercial Board Members:	Days	Amount
Bordelon, Brian	8	$ 600
Broussard, Noah R. Jr.	9	675
Brown, Kristen E.	10	750
Clouatre, William J. (Vice Chairman)	12	900
Condon, Kyle D.	6	450
DiGiovanni, Kimberly A.	8	600
Fenet, Courtney A. Jr.	12	900
Gallo, David R.	7	525
Guinn, Adam G.	10	750
Hackworth, Steven D.	8	600
Honore, Henry H. Jr.	3	225
Joseph, Curtis, Jr. R.	10	750
Lambert, Donald G.	12	900
Lopez, Andrew B.	6	450
Mallett, Chester Lee (Chairman)	8	600
Meredith, Garland	12	900
Stuart, Christopher N.	9	675
Temple, Elliott L.	11	825
Tillage, Keith A.	8	600
	169	12,675
Residential Subcommittee Members:		
Adams, Doreen D.	9	$ 675
Fine, James C.	10	750
Golson, Brandon	10	750
Joseph, Curtis R.	9	675
Manceaux, Travis J.	11	825
Morse, Frank W.	11	825
Temple, Elliott L.	9	675
	69	5,175
	Total	**$ 17,850**

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by the Louisiana Revised Statute 37:2154 and are included in the personnel expenditures of the Proprietary (enterprise) Fund. Board members are paid $75 per day for board meetings and official business.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS,
GOVERNOR'S OFFICE, STATE OF LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head/Title: Bradley Hassert, *Executive Director (January - December 31, 2025)*

Purpose	Amount
Salary	$ 190,283
Benefits - insurance	8,699
Benefits - retirement	64,736
Deferred compensation	15,500
Phone allowance	900
Professional dues	1,152
Miscellaneous	576
Professional Education Travel:	
Mileage and other transportation	3,482
Hotel lodging	1,144
Registration fees	400
Reimbursements - meals	914
	$ 287,786

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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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 Governor's Office and Board of Directors of
Louisiana State Licensing Board for Contractors

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type and fiduciary activities of the Louisiana State Licensing Board for Contractors (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the basic financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated August 25, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Louisiana State Licensing Board for Contractors' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
August 25, 2026

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

SCHEDULE OF AUDIT FINDINGS and RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I- SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	_X_ Yes ___ No
• Significant deficiency identified not considered to be a material weakness?	___ Yes _X_ None reported
Noncompliance material to financial statements noted?	___ Yes _X_ No

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2025-001: Financial Reporting Error

Condition:
Our audit found an error in the application of accounting principles for recognition of license fee revenue that resulted in a downward adjustment to 2025 revenue of $79,625 and a downward adjustment and restatement to beginning net position of $457,900. This is a repeat finding from the 2024 audit.

Criteria:
Entities should have internal controls to prevent, as well as detect and correct matters, including accounting errors, that could lead to misstatements to the financial statements.

Cause:
The Board has been in a period of transition for the last several years, including the hire of a new executive director, a new accounting consultant and implementation of a new ERP system. This transition has revealed several accounting policies, procedures and practices needing improvement and which are being rectified over time.

Effect:
The Net Position in the Board's 2024 financial statements was overstated in the amount of $457,900 and the revenue was overstated by $54,500. Current year's revenue prior to adjusting for the error was overstated by $79,625.

Recommendation:
Accounting policies, procedures and practices should be continually reviewed and updated by management to ensure they reflect sound accounting standards, recent changes in the Board's personnel, fee structure, operating environment and general operations. We acknowledge initiatives such as the hiring of an external accounting consultant to provide high-level of accounting expertise and an initiative to upgrade the Board's accounting system. We commend these actions and recommend management maintain such initiatives while consistently revisiting on-going accounting processes to ensure reporting errors do not occur.

SCHEDULE OF AUDIT FINDINGS and RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Views of Responsible Officials:

The Board agrees with the recommendation and believes that appropriate procedures are now in place to prevent material misstatements in financial reporting.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2024-001: Inadequate Separation of Accounting Duties and Functionality of the Accounting Process

Condition(s):
During our review of the accounting processes, we noted that a single individual was responsible for multiple key functions within the accounting cycle, including the preparation or approval of journal entries, posting to the general ledger, and bank reconciliations. This person also had full access to the payroll and accounts payable systems. This lack of segregation increases the risk of errors or fraudulent activity going undetected.

Also, during our audit, several accounting entries were needed to correct amounts erroneously reported in the prior year. These errors also impacted amounts reported in the current year.

Criteria:
According to internal control best practices (e.g., COSO framework), duties should be segregated among different individuals to reduce the risk of error or inappropriate actions. One individual should not have control over all aspects of a financial transaction.

Also, the accounting function should include processes and personnel to guard against errors occurring within the financial statements.

Cause:
The organization had limited accounting staff, which resulted in overlapping responsibilities without compensating controls.

Effect:
The absence of proper segregation of duties, and controls to prevent errors, increases the risk of:
- Unauthorized transactions
- Misstatements in financial reporting
- Undetected errors or fraud

Recommendation:
While the condition above existed during 2024, we acknowledge the hiring of an external accounting consultant to provide mitigating controls and a higher level of accounting expertise. We commend this action and recommend management maintain such a role/position. Also, we recommend that management, with the input of the accounting consultant, employ separations within the various account systems and applications to ensure proper segregation.

Views of Responsible Officials:
Management has continued the use of an external accounting consultant in 2025 to provide financial oversight, monitoring of various accounting systems, and training for accounting staff. In addition, the Board has budgeted for a new Enterprise Resource Planning (ERP) software to streamline its accounting and financial management systems. The implementation of this software will assist in the segregation of duties among the Board's limited staff.

Current Status:
This finding is considered resolved partially resolved. See finding 2025-001 for repeated finding for reporting errors.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

2024-002: Lack of Formal Approval for Executive Compensation Adjustment

Condition:
During our review of executive compensation practices, we noted that a recent adjustment to the Executive Director's compensation package was implemented without formal written approval by the governing board or compensation committee. We also noted that the Board's policies and procedures are silent about when and how compensation rates get approved, both at the executive and all other levels.

Criteria:
Best practices in governance and internal control require that any changes to executive compensation be reviewed and approved by the board of directors or a designated compensation committee. This ensures transparency, accountability, and alignment with fiduciary responsibilities. Policies and procedures should set forth the process for review and approval of other levels of compensation adjustments.

Cause:
The adjustment was processed administratively without routing through the channels for Board approval, possibly due to a misunderstanding of procedural requirements or a lapse in oversight. The Board also appointed a new person after many years with the prior Executive Director.

Effect:
The Board was aware of the adjustment, and this appears to be an oversight. However, without proper approval for executive compensation at the board level and in open meetings, changes could:

- Undermine governance integrity and stakeholder trust
- Expose the organization to reputational and legal risk
- Result in noncompliance with internal policies or regulatory expectations

Recommendation:
We recommend that management and the board reinforce and adhere to established approval protocols for executive compensation, and that the policy be amended to describe compensation approval requirements at all levels. All future adjustments should be documented and approved in writing by the appropriate governing body prior to implementation.

Views of Responsible Officials:
The Board has a formal procedure for approving the Executive Director's compensation and believes it was followed. However, the original documentation was not retained per the records retention schedule. To clarify the Board's approval, the Vice-Chairman signed an official memorandum documenting the action. The Board believes this is an isolated incident and that it has proper internal controls in place to review, approve, and document executive compensation.

Current Status:
This finding is considered resolved.

EISNERAMPER

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

SUPPLEMENTARY INFORMATION

YEAR-END REPORTING PACKET

REQUIRED BY THE STATE OF LOUISIANA, DIVISION OF ADMINISTRATION, OFFICE OF STATEWIDE REPORTING (OSRAP)

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Louisiana State Licensing Board for Contractors
Baton Rouge, Louisiana

We have audited the basic financial statements of the business-type and fiduciary activities of the Louisiana State Licensing Board for Contractors (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2025, and our report thereon dated August 25, 2026, expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the Board's basic financial statements as a whole.

The accompanying Annual Financial Report (AFR) Packet is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Policy (OSRAP). 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. This 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
August 25, 2026

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 7-15-63 - Louisiana State Licensing Board for Contractors
PREPARED BY: Maria Brady
PHONE NUMBER: 225-346-6336
EMAIL ADDRESS: mbrady@lslbc.gov
SUBMITTAL DATE: 08/24/2026 10:36 AM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	10,498,575.00
INVESTMENTS:	
OTHER INVESTMENTS	602,520.00
RESTRICTED INVESTMENTS - CURRENT	0.00
RECEIVABLES (NET):	
RECEIVABLES - EMPLOYER CONTRIBUTION	
RECEIVABLES - EMPLOYER CONTRIBUTION (GROSS)	0.00
RECEIVABLES - EMPLOYER CONTRIBUTION (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
RECEIVABLES - TUITION AND FEES	
RECEIVABLES - TUITION AND FEES (GROSS)	0.00
RECEIVABLES - TUITION AND FEES (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
RECEIVABLES - OTHER	
RECEIVABLES - OTHER (GROSS)	0.00
RECEIVABLES - OTHER (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
PLEDGES RECEIVABLE (NET) - CURRENT	0.00
LEASES RECEIVABLE - CURRENT	0.00
P3 RECEIVABLE (NET) - CURRENT (Only relates to Transferor)	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE FROM OTHER FUNDS	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	117,327.00
TOTAL CURRENT ASSETS	**$11,218,422.00**
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
P3 RECEIVABLE (NET) - NONCURRENT (Only relates to Transferor)	0.00
CAPITAL ASSETS:	
LAND	2,887,704.00
BUILDING & IMPROVEMENTS	
BUILDINGS AND IMPROVEMENTS (GROSS)	8,011,253.00
BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION)	(1,279,830.00)
MACHINERY & EQUIPMENT	
MACHINERY AND EQUIPMENT (GROSS)	940,105.00

ANNUAL FISCAL REPORT (AFR)
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MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(357,717.00)
INFRASTRUCTURE	
INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
SOFTWARE AND OTHER INTANGIBLE ASSETS	
SOFTWARE AND OTHER INTANGIBLE ASSETS (GROSS)	0.00
SOFTWARE AND OTHER INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	0.00
CONSTRUCTION IN PROGRESS	0.00
LEASED LAND	
LEASED LAND (GROSS)	0.00
LEASED LAND (ACCUMULATED AMORTIZATION)	0.00
LEASED BUILDING & OFFICE SPACE	
LEASED BUILDING & OFFICE SPACE (GROSS)	0.00
LEASED BUILDING & OFFICE SPACE (ACCUMULATED AMORTIZATION)	0.00
LEASED MACHINERY & EQUIPMENT	
LEASED MACHINERY & EQUIPMENT (GROSS)	24,912.00
LEASED MACHINERY & EQUIPMENT (ACCUMULATED AMORTIZATION)	(2,076.00)
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)	
SBITA (GROSS)	709,058.00
SBITA (ACCUMULATED AMORTIZATION)	(270,057.00)
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENT (P3)	
P3 (GROSS) (Only relates to Operator)	0.00
P3 (ACCUMULATED AMORTIZATION) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$10,663,352.00**
TOTAL ASSETS	**$21,881,774.00**

DEFERRED OUTFLOWS OF RESOURCES	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE-RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	754,230.00
PENSION-RELATED	708,381.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$1,462,611.00**

LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	368,121.00
TRAVEL & TRAINING	17,026.00
OPERATING SERVICES	20,535.00
PROFESSIONAL SERVICES	16,890.00
SUPPLIES	70,276.00
GRANTS & PUBLIC ASSISTANCE	0.00
OTHER CHARGES	0.00
CAPITAL OUTLAY	0.00
ACCRUED INTEREST	0.00

ANNUAL FISCAL REPORT (AFR)
FOR 2026

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DERIVATIVE INSTRUMENTS	0.00
DUE TO OTHER FUNDS	0.00
DUE TO FEDERAL GOVERNMENT	0.00
UNEARNED REVENUES	4,969,671.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
OTHER CURRENT LIABILITIES	459,549.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	137,712.00
LEASE LIABILITY	8,088.00
SBITA LIABILITY	132,033.00
P3 LIABILITY (Only relates to Operator)	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	240,291.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$6,440,192.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	339,079.00
LEASE LIABILITY	14,845.00
SBITA LIABILITY	138,635.00
P3 LIABILITY (Only relates to Operator)	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
OPEB LIABILITY	6,845,374.00
NET PENSION LIABILITY	5,933,675.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL NONCURRENT LIABILITIES	**$13,271,608.00**
TOTAL LIABILITIES	**$19,711,800.00**
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE-RELATED	0.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	937,287.00
PENSION-RELATED	1,019,055.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$1,956,342.00**

NET POSITION:

ANNUAL FISCAL REPORT (AFR)
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NET INVESTMENT IN CAPITAL ASSETS	10,369,751.00
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	**$(8,693,508.00)**
TOTAL NET POSITION	**$1,676,243.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2026

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SUBMITTAL DATE: 08/24/2026 10:36 AM

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

OPERATING REVENUES:	
SALES OF COMMODITIES & SERVICES	0.00
ASSESSMENTS (only used for Unemployment Trust Fund)	0.00
USE OF MONEY & PROPERTY	0.00
LICENSES, PERMITS & FEES	9,169,734.00
OPERATING GRANTS AND CONTRACTS	0.00
OTHER REVENUE	0.00
TOTAL OPERATING REVENUES	**$9,169,734.00**
OPERATING EXPENSES:	
COST OF SALES & SERVICES	5,693,054.00
ADMINISTRATIVE	443,166.00
DEPRECIATION	321,082.00
AMORTIZATION	203,722.00
UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund)	0.00
OTHER EXPENSES	451,032.00
TOTAL OPERATING EXPENSES	**$7,112,056.00**
OPERATING INCOME (LOSS)	**$2,057,678.00**
NONCAPITAL SUBSIDIES	
INTERGOVERNMENTAL REVENUES (includes most federal grants)	0.00
TRANSFERS IN	0.00
TRANSFERS OUT	0.00
OTHER SUBSIDIES RECEIVED	0.00
OTHER SUBSIDIES PAID	0.00
TOTAL NONCAPITAL SUBSIDIES	**$0.00**
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	**$2,057,678.00**
OTHER NONOPERATING REVENUES(EXPENSES)	
GAIN ON SALE OF CAPITAL ASSETS	1,383.00
LOSS ON SALE OF CAPITAL ASSETS	0.00
NET INVESTMENT EARNINGS	93,774.00
INTEREST EXPENSE AND OTHER FINANCING COSTS	(21,837.00)
INTEREST REVENUE (FINANCING RELATED)	0.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CAPITAL APPROPRIATIONS	0.00
CAPITAL GRANTS AND CONTRIBUTIONS	0.00
TRANSFERS IN - RESTRICTED FOR CAPITAL ASSETS	0.00
CAPITAL SUBSIDIES PAID	0.00
TOTAL OTHER NONOPERATING REVENUES (EXPENSES)	**$73,320.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2026

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INCOME (LOSS) BEFORE UNUSUAL OR INFREQUENT ITEMS	**$2,130,998.00**
UNUSUAL OR INFREQUENT ITEMS	
INFLOWS	0.00
OUTFLOWS	0.00
TOTAL UNUSUAL OR INFREQUENT ITEMS	**$0.00**
CHANGE IN NET POSITION	**$2,130,998.00**
NET POSITION - BEGINNING	**$3,145.00**
NET POSITION - RESTATEMENT	
NET POSITION - RESTATEMENT - ERROR CORRECTION	(457,900.00)
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	**$1,676,243.00**

Ending Net Position on the Statement of Revenues MUST equal Total Net Position on the SNP.

ANNUAL FISCAL REPORT (AFR)
FOR 2026

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	
RECEIPTS FROM CUSTOMERS	9,149,949.00
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	(1,831,176.00)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00
PAYMENTS TO EMPLOYEES FOR SERVICES	(5,522,365.00)
PAYMENTS FOR INTERFUND SERVICES USED	0.00
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	0.00
OTHER OPERATING PAYMENTS	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$1,796,408.00**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	0.00
RECEIPTS FROM GRANTS AND GIFTS	0.00
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	0.00
RECEIPTS FROM OTHER FUNDS	0.00
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR GRANTS AND SUBSIDIES	0.00
PAYMENTS TO OTHER FUNDS	0.00
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**$0.00**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT	0.00
RECEIPTS FROM CAPITAL GRANTS	0.00
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	1,383.00
RECEIPTS FROM LESSOR LEASES AND P3 ARRANGEMENTS	0.00
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	(580,254.00)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON CAPITAL DEBT	0.00
PAYMENTS FOR INTANGIBLE RIGHT TO USE ASSETS	(352,245.00)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**$(931,116.00)**
CASH FLOWS FROM INVESTING ACTIVITIES:	
PURCHASES OF INVESTMENTS	(25,426.00)
PROCEEDS FROM THE SALE OF INVESTMENTS	0.00
INTEREST AND DIVIDENDS	93,774.00
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$68,348.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2026

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NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**$933,640.00**
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	9,564,935.00
RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	0.00
CASH & CASH EQUIVALENTS AT END OF YEAR	**$10,498,575.00**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
OPERATING INCOME (LOSS)	**$2,057,678.00**
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
DEPRECIATION/AMORTIZATION	524,804.00
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	0.00
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	0.00
OTHER	0.00
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	0.00
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	0.00
(INCREASE)/DECREASE IN PREPAYMENTS	0.00
(INCREASE)/DECREASE IN INVENTORIES	0.00
(INCREASE)/DECREASE IN OTHER ASSETS	60,310.00
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	198,115.00
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	125,020.00
(INCREASE)/DECREASE IN OTHER DEFERRED OUTFLOWS	0.00
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	66,668.00
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	46,654.00
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	0.00
INCREASE/(DECREASE) IN UNEARNED REVENUES	13,726.00
INCREASE/(DECREASE) IN OPEB LIABILITY	(213,949.00)
INCREASE/(DECREASE) IN NET PENSION LIABILITY	(1,229,385.00)
INCREASE/(DECREASE) IN OTHER LIABILITIES	62,027.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	(48,590.00)
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	133,330.00
INCREASE/(DECREASE) IN OTHER DEFERRED INFLOWS	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$1,796,408.00**

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AGENCY: 7-15-63 - Louisiana State Licensing Board for Contractors

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PHONE NUMBER: 225-346-6336

EMAIL ADDRESS: mbrady@lslbc.gov

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STATEMENT OF CASH FLOWS

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Description	Amount
GAIN ON DISPOSAL OF CAPITAL ASSETS	0.00
LOSS ON DISPOSAL OF CAPITAL ASSETS	0.00
CONTRIBUTIONS OF CAPITAL ASSETS	0.00
INCREASE IN RIGHT-TO-USE LEASED ASSETS	24,911.00
GAIN ON EARLY TERMINATION OF LEASES	0.00
LOSS ON EARLY TERMINATION OF LEASES	0.00
INCREASE IN RIGHT-TO-USE SBITA ASSETS	378,303.00
GAIN ON EARLY TERMINATION OF SBITAs	0.00
LOSS ON EARLY TERMINATION OF SBITAs	0.00
INCREASE IN RIGHT-TO-USE P3 ASSETS	0.00
GAIN ON EARLY TERMINATION OF P3 ARRANGEMENTS	0.00
LOSS ON EARLY TERMINATION OF P3 ARRANGEMENTS	0.00
OTHER (specify below):	
	0.00

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DEPOSITS WITH FINANCIAL INSTITUTIONS (BANK BALANCES)

	Total Deposits (Bank Balance)	Uninsured and Uncollateralized (Bank Balance)	Uninsured and Collateralized with Securities Held by the Pledging Institution (Bank Balance)	Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Dept.or Agent but not in the Agency's Name (Bank Balance)
Cash	11,773,602.00	0.00	11,465,279.00	0.00
Non-Negotiable Certificates of Deposits	0.00	0.00	0.00	0.00
Money Market Demand Accounts*	0.00	0.00	0.00	0.00
Total	**$11,773,602.00**	**$0.00**	**$11,465,279.00**	**$0.00**

Do NOT include any cash or CD's on deposit with the State Treasurer

***DOES NOT Include Money Market Mutual Funds**

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INVESTMENTS

Type of Investment	Value	Fair Market Value Hierarchy	Valuation Techniques	Custodial Credit Risk	Credit Risk	Interest Rate Risk
External Investment Pools Not Exclusively Invested in Fixed Income Securities	$602,520.00	Level 1 - Quoted Prices in Active Markets for Identical Assets			AAA	
Totals	**$602,520.00**					

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

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

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DUES AND TRANSFERS

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

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

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

Account Type Transfers In - Restricted for Capital Assets	Intercompany (Fund)	Amount
	Total	**$0.00**

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

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ASSET RETIREMENT OBLIGATION (ARO)

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

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

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

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

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

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SCHEDULE OF CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not depreciated:						
Land	2,887,704.00	0.00	**$2,887,704.00**	0.00	0.00	**$2,887,704.00**
Construction in progress	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total capital assets not depreciated	**$2,887,704.00**	**$0.00**	**$2,887,704.00**	**$0.00**	**$0.00**	**$2,887,704.00**
Capital Assets being Depreciated:						
Buildings	7,819,091.00	0.00	**$7,819,091.00**	192,162.00	0.00	**$8,011,253.00**
Accumulated depreciation	(1,074,633.00)	0.00	**$(1,074,633.00)**	(205,197.00)	0.00	**$(1,279,830.00)**
Total Buildings	**$6,744,458.00**	**$0.00**	**$6,744,458.00**	**$(13,035.00)**	**$0.00**	**$6,731,423.00**
Machinery & equipment	802,463.00	0.00	**$802,463.00**	388,092.00	(250,450.00)	**$940,105.00**
Accumulated depreciation	(492,282.00)	0.00	**$(492,282.00)**	(115,885.00)	250,450.00	**$(357,717.00)**
Total Machinery & Equipment	**$310,181.00**	**$0.00**	**$310,181.00**	**$272,207.00**	**$0.00**	**$582,388.00**
Infrastructure	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated depreciation	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total Infrastructure	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Software and Other Intangibles	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated Amortization	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total Intangibles	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Leased Assets:						
Leased land	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated Amortization	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total Leased Land	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Leased buildings/office space	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated Amortization	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total Leased Buildings/Office Space	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Leased machinery & equipment	92,650.00	0.00	**$92,650.00**	24,912.00	(92,650.00)	**$24,912.00**
Accumulated Amortization	(71,727.00)	0.00	**$(71,727.00)**	(22,999.00)	92,650.00	**$(2,076.00)**
Total Leased Machinery & Equipment	**$20,923.00**	**$0.00**	**$20,923.00**	**$1,913.00**	**$0.00**	**$22,836.00**
SBITAs	245,072.00	0.00	**$245,072.00**	463,986.00	0.00	**$709,058.00**
Accumulated Amortization	(89,334.00)	0.00	**$(89,334.00)**	(180,723.00)	0.00	**$(270,057.00)**
Total SBITAs	**$155,738.00**	**$0.00**	**$155,738.00**	**$283,263.00**	**$0.00**	**$439,001.00**
P3s (operator only)	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Accumulated Amortization	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**
Total P3s	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Total Capital Assets being Depreciated, net	**$7,231,300.00**	**$0.00**	**$7,231,300.00**	**$544,348.00**	**$0.00**	**$7,775,648.00**

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Total Capital Assets (Depreciable and Non-depreciable), net	**$10,119,004.00**	**$0.00**	**$10,119,004.00**	**$544,348.00**	**$0.00**	**$10,663,352.00**

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CAPITAL ASSETS HELD FOR RESALE

Disclosure of a capital asset classified as held for sale is required when the following conditions are met:
a. the government has decided to pursue the sale of the asset, and
b. it is probable (likely to occur) that the sale will be finalized within one year of the financial date.

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

If Yes, complete the following:

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

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

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

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IMPAIRMENT OF CAPITAL ASSETS

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

A. Movable Property and Equipment

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

B. Building

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

C. Infrastructure

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

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	624,362.00	3,533,271.00	558,712.00
TRSL	0.00	0.00	0.00
LSERS	0.00	0.00	0.00
DARS	0.00	0.00	0.00
LCCRRF	0.00	0.00	0.00
ROVERS	0.00	0.00	0.00

Note: Calendar year entities (Barbers Examiners Board; Louisiana Cemetery Board, and Louisiana State Board of Medical Examiners) should report employer's contributions for the calendar year as follows:

Column 1 - record the amount from July - December of the current calendar year being reported.

*Column 3 - record the amount of contributions from January - June of the calendar year following the current year being reported. OSRAP is capturing this info early, which will be used in preparing next year's pension spreadsheet.

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2025 measurement date for their OPEB valuation.)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year-end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	126,186.00
Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits)	3,443,052.00
For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2025 - 6/30/2026). This information will be provided to the actuary for the valuation report early next year.	239,755.00

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 6/30/2026 for their OPEB valuation report.)

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

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LESSEE LEASE DISCLOSURES

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

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

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LEASE LIABILITY

Fiscal Year Ending:	Principal	Interest	Total
2027	8,088.00	691.00	**$8,779.00**
2028	8,373.00	407.00	**$8,780.00**
2029	6,472.00	113.00	**$6,585.00**
2030	0.00	0.00	**$0.00**
2031	0.00	0.00	**$0.00**
2032 - 2036	0.00	0.00	**$0.00**
2037 - 2041	0.00	0.00	**$0.00**
2042 - 2046	0.00	0.00	**$0.00**
2047 - 2051	0.00	0.00	**$0.00**
2052 - 2056	0.00	0.00	**$0.00**
2057 - 2061	0.00	0.00	**$0.00**
2062 - 2066	0.00	0.00	**$0.00**
Remaining years	0.00	0.00	**$0.00**
Total	**$22,933.00**	**$1,211.00**	**$24,144.00**

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LESSOR LEASE DISCLOSURES

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

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

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SBITA DISCLOSURES

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

1a. Does your agency have any long-term contracts that meet the criteria for SBITA reporting under GASB 96 with a SBITA contract/component value exceeding the materiality threshold? [See OSRAP Memo 23-07 for guidance on applying the $100,000 materiality threshold]. **Yes**

1b. Is your agency using LeaseController provided by Deloitte/OSRAP for its long-term SBITA calculations and reporting? **No**

1c. Provide the following information on your agency's long-term SBITAs reported under GASB 96 that exceed the materiality threshold. For agency's using LeaseController, all SBITAs identified as "material to ACFR" or "material to stand-alone only" should be included below.

Lease Controller ID # (if applicable)	Brief description of SBITA asset (only needed if the SBITAs are not in Lease Controller)	SBITA asset value, net of accumulated amortization, at year-end	Total SBITA liability at year-end	Current fiscal year actual base SBITA payments (principal and interest)	Current fiscal year actual payments (expenses) that were not included in the initial measurement of the SBITA liability [e.g. variable payments and termination penalties]	Brief description of current year payments (expenses) that were not included in the initial measurement of the SBITA liability (e.g., portion of SBITA payments based on CPI)
0	Thomson Reuters - West	126,186.00	130,878.00	69,914.00	0.00	
0	Acumatica ERP	208,452.00	137,756.00	162,415.00	0.00	
Total		**$334,638.00**	**$268,634.00**	**$232,329.00**	**$0.00**	

2a. Have any of the SBITA assets reported above been impaired during the current fiscal year? **No**

2b. Provide the LeaseController ID (if applicable) and a brief description of the impairment, the loss recognized on the SBITA asset during the period, and any change in the related SBITA liability as a result of the impairment.
N

3a. Has your agency entered into any long-term SBITAs prior to June 30 that are over $100,000, but are excluded from above because the SBITA has not commenced as of year-end? **Yes**

3b. Provide a description of the SBITA contract and the total amount of commitments (total fixed, fixed in-substance, and probable payments).
A purchase order for a SBITA for new licensing software was approved for $971,396.00 ($763,484.00 implementation costs, $17,647.00 training and $190,265.00 annual license fees). Work began in 2026.

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SBITA LIABILITY

Fiscal Year Ending:	Principal	Interest	Total
2027	132,033.00	9,608.00	**$141,641.00**
2028	138,635.00	4,300.00	**$142,935.00**
2029	0.00	0.00	**$0.00**
2030	0.00	0.00	**$0.00**
2031	0.00	0.00	**$0.00**
2032 - 2036	0.00	0.00	**$0.00**
2037 - 2041	0.00	0.00	**$0.00**
2042 - 2046	0.00	0.00	**$0.00**
2047 - 2051	0.00	0.00	**$0.00**
2052 - 2056	0.00	0.00	**$0.00**
2057 - 2061	0.00	0.00	**$0.00**
2062 - 2066	0.00	0.00	**$0.00**
Remaining years	0.00	0.00	**$0.00**
Total	**$270,668.00**	**$13,908.00**	**$284,576.00**

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P3 DISCLOSURES

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

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

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COMPENSATED ABSENCES

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

Fiscal Year 2026 liability calculation:

Total annual and sick leave value at 6/30/2026 for all employees: *(Multiply each employees'* ***full annual and sick leave*** *balance at 6/30/2026 by their base hourly pay rate at 6/30/2026 and add additional salary related payments paid by the employer for medicare, social security, or defined contribution plans, as applicable. Do* ***not*** *include employer contributions for defined benefit plans. Also, do* ***not*** *cap the annual leave at 300 hours when calculating the value.*	3,203,945.00
Percentage of leave projected to be settled through future time off or cash payments: *The statewide percentage calculated by OSRAP using LaGov data is 65%. This percentage should be entered here unless entity has calculated its own projection as explained in OSRAP Memo 25-10.*	14.88%
Estimated liability at 6/30/2026 for sick and annual leave	476,747.02
Additional liabilities for K-time balances and other compensated absences, if applicable and material	44.00
Total estimated liability at 6/30/2026	476,791.02
Current portion estimate : *This is the estimate of leave that will be settled in fiscal year 2026 (i.e. current portion of liability at 6/30/2026) and can be estimated at the value (in dollars) of sick and annual leave settled through time off and cash payment during the current fiscal year.*	137,712.00
Non-current portion estimate:	339,079.02

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PHONE NUMBER: 225-346-6336
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SUBMITTAL DATE: 08/24/2026 10:36 AM

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	430,137.00	0.00	**$430,137.00**	46,654.00	0.00	**$476,791.00**	137,712.00
Lease liability	21,743.00	0.00	**$21,743.00**	24,911.00	(23,721.00)	**$22,933.00**	8,088.00
SBITA liability	113,370.00	0.00	**$113,370.00**	378,303.00	(221,005.00)	**$270,668.00**	132,033.00
P3 liability	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Notes payable	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Notes payable - direct borrowings	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Contracts payable	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Pollution remediation obligation	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Claims and litigation	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Federal disallowed costs	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Other long-term liabilities	0.00	0.00	**$0.00**	0.00	0.00	**$0.00**	0.00
Total other liabilities	**$565,250.00**	**$0.00**	**$565,250.00**	**$449,868.00**	**$(244,726.00)**	**$770,392.00**	

Disclose any unused lines of credit	0.00

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GASB 88: Certain Disclosures Related to Debt

List any assets pledged as collateral for debt:

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

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

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

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

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SUBMITTAL DATE: 08/24/2026 10:36 AM

SCHEDULE OF NOTES PAYABLE AMORTIZATION

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

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CONTINGENCIES AND COMMITMENTS

Description of Litigation	Date of Action	Amount

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CERTAIN RISK DISCLOSURES (GASB 102)

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

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

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

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

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

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UNUSUAL OR INFREQUENT ITEMS

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

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

Describe each unusual or infrequent item separately and indicate whether the item was within the control of management. Also, describe inflows and outflows separately.
Example: The agency experienced a flood during March of 20X5 that was a catastrophic event outside the control of management. The agency incurred expenses to clean up flood damage in the amount of $10 million. The agency also received $2.5 million in grants from the federal government to assist with the cleanup effort.

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CHANGE IN ACCOUNTING ESTIMATE

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

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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

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

Account Name/Description	Beginning Net Position Restatement Amount
SNP CURRENT LIABILITIES - UNEARNED REVENUES SRECNP OPERATING REVENUES - LICENSES, PERMITS & FEES Description: During 2025, the Board determined that certain occupational licensing review program (OLRP) fees and license processing fees had been accounted for incorrectly in prior periods. These fees were previously recognized as revenue when collected. Upon further evaluation of the nature of the services provided, the Board concluded that the fees relate to services performed throughout the license period, including investigations, background checks, and ongoing insurance verification activities. Accordingly, these fees should be recognized as revenue over the license term, with the unearned portion reported as unearned revenue. The correction increased unearned revenue by $457,900 and decreased beginning net position by the same amount as of January 1, 2025. In addition, had the error been corrected in prior periods, license fee revenue and change in net position would have been decreased by $54,500 for the year ended December 31, 2024	(457,900.00)
Total Restatement - Error Corrections	**$(457,900.00)**

CHANGES IN ACCOUNTING PRINCIPLE

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

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

CHANGES IN REPORTING ENTITY

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

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

CHANGES THAT HAVE NO EFFECT ON BEGINNING NET POSITION

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

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

Description:

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SUBMISSION

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

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

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

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