

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

June 30, 2024

(With Independent Auditors' Report Thereon)

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

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Independent Auditors' Report

**Louisiana State Board of Practical Nurse Examiners
Metairie, Louisiana**

Opinion

We have audited the accompanying financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2024, 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 activities of the Board as of June 30, 2024, and the respective changes in financial position and its' cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 auditors' 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 GAAS 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 GAAS 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 7 and pension and OPEB schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

Griffin & Furman, LLC

September 3, 2024

Covington, Louisiana

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Management’s Discussion and Analysis

June 30, 2024

Management’s Discussion and Analysis of the Louisiana State Board of Practical Nurse Examiners’ (the Board) financial performance presents a narrative overview and analysis of the Board’s financial activities for the year ended June 30, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the Board’s financial statements, which follow this section.

Financial Highlights

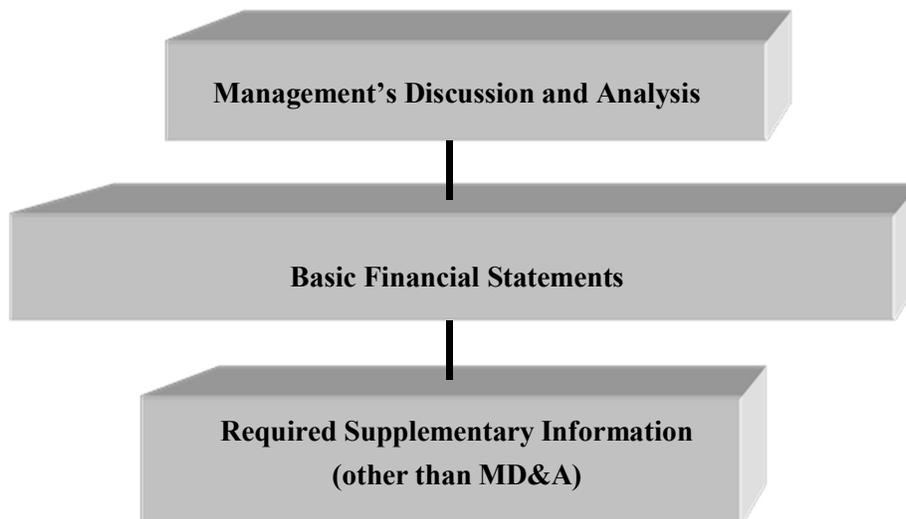
The Board’s assets exceeded its liabilities at the close of fiscal year 2024 by \$33,359. Assets consist primarily of cash and certificates of deposit. Net position increased by \$114,366 or 141% as compared to prior year net position.

The Board’s assets and deferred outflows exceed liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$33,359.

The Board’s operating revenue decreased by \$109,225, or 5.56%, and the net results from operating activities increased by \$77,009 or 42.72% primarily due to an decrease in pension expense.

Overview of the Financial Statements

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



These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information (other than MD&A). This report also contains supplementary information in addition to the basic financial statements.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Management's Discussion and Analysis

June 30, 2024

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

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

Basic Financial Statements

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

Statement of Net Position

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

Statement of Revenues, Expenses, and Changes in Net Position

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

Statement of Cash Flows

This statement presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement No. 34.

Financial Analysis of the Entity

Condensed Statements of Net Position as of June 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> | <u>Change</u> |
|-------------------------------------|---------------|---------------|----------------|
| Total current assets | \$ 3,846,550 | 3,787,384 | 59,166 |
| Lease asset, net | 520,408 | 83,955 | 436,453 |
| Capital assets, net of depreciation | <u>47,875</u> | <u>52,220</u> | <u>(4,345)</u> |

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Management's Discussion and Analysis

June 30, 2024

| | | | |
|--|---------------------|------------------|-----------------|
| Total assets | 4,414,833 | 3,923,559 | 491,274 |
| Deferred outflows of resources | 700,710 | 1,174,885 | (474,175) |
| Total assets and deferred outflows of resources | \$ 5,115,543 | 5,098,444 | 17,099 |
| | <u>2024</u> | <u>2023</u> | <u>Change</u> |
| Total current liabilities | \$ 187,725 | 220,758 | (33,033) |
| Long-term liabilities | 4,483,138 | 4,504,655 | (21,517) |
| Total liabilities | 4,670,863 | 4,725,413 | (54,550) |
| Deferred inflows of resources | 411,321 | 454,038 | (42,717) |
| Total liabilities and deferred inflows of resources | 5,082,184 | 5,179,451 | (97,267) |
| Net Position | | | |
| Invested in capital assets | 45,686 | 51,390 | (5,704) |
| Unrestricted | (12,327) | (132,397) | 120,070 |
| Total net position | \$ 33,359 | (81,007) | 114,366 |

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

Current assets increased by \$59,166 or 1.56%, from June 30, 2023 to June 30, 2024. The primary reason for the change is an increase in interest receivable.

Condensed Statements of Activities for the Years Ended June 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> | <u>Change</u> |
|-----------------------------------|------------------|------------------|----------------|
| Operating revenues | \$ 1,856,749 | 1,965,974 | (109,225) |
| Operating expenses | 1,960,010 | 2,146,244 | (186,225) |
| Operating income | (103,261) | (180,270) | 77,009 |
| Nonoperating revenues (expenses) | 217,627 | 18,887 | 189,740 |
| Increase in net position | 114,366 | (161,383) | 275,749 |
| Net position – beginning of year | (81,007) | 80,376 | (161,383) |
| Net position – end of year | \$ 33,359 | (81,007) | 114,366 |

Change in net position of the Board increased by \$275,749 or 170.87%, from June 30, 2023 to June 30, 2024.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Management's Discussion and Analysis

June 30, 2024

Capital Assets

For the year ended June 30, 2024, the Board had \$47,875 invested in a broad range of capital assets, including furniture, fixtures, computer equipment, and computer software. This amount represents a net decrease (including additions and deductions) of \$4,345 or 8.32% from last fiscal year.

Variations Between Original and Final Budgets

Revenues were \$15,624 under budget and expenditures were under budget by \$59,990.

Economic Factors and Next Year's Budgets and Rates

The Board does not expect any economic factors to impact next year's budget.

Contacting the Board Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Christina Costanza, Executive Director, at (504) 838-5791.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Statement of Net Position

June 30, 2024

| <u>Assets</u> | | |
|---|--------------|-----------|
| Current assets: | | |
| Cash and cash equivalents | \$ 1,671,888 | |
| Investments | 2,130,639 | |
| Prepaid expenses | 19,057 | |
| Interest receivable | 24,966 | |
| Total current assets | | 3,846,550 |
| Noncurrent assets: | | |
| Lease asset, net | | 520,408 |
| Property and equipment, net | | 47,875 |
| Total assets | | 4,414,833 |
| <u>Deferred Outflows of Resources</u> | | |
| Deferred outflows related to pensions | 517,806 | |
| Deferred outflows related to other post-employment benefits payable | 182,904 | |
| Total deferred outflows of resources | | 700,710 |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable | 2,553 | |
| Accrued payroll expenses | 50,012 | |
| Lease liability | 94,648 | |
| Other post-employment benefits payable | 40,512 | |
| Total current liabilities | | 187,725 |
| Noncurrent liabilities: | | |
| Compensated absences payable | 85,543 | |
| Lease liability | 427,949 | |
| Other post-employment benefits payable | 1,195,514 | |
| Net pension liability | 2,774,132 | |
| Total noncurrent liabilities | | 4,483,138 |
| Total liabilities | | 4,670,863 |
| <u>Deferred Inflows of Resources</u> | | |
| Deferred inflows related to pensions | 48,488 | |
| Deferred inflows related to other post-employment benefits payable | 362,833 | |
| Total deferred inflows of resources | | 411,321 |
| <u>Net Position</u> | | |
| Net investment in capital assets | 45,686 | |
| Unrestricted | (12,327) | |
| Total net position | | \$ 33,359 |

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2024

| | | |
|--|-----------|-----------------------------|
| Operating revenues: | | |
| Licenses | \$ | 1,645,836 |
| Enforcement actions | | 204,300 |
| Sales of commodities and services | | 5,094 |
| Other | | <u>1,519</u> |
| Total operating revenues | | 1,856,749 |
| Operating expenses: | | |
| Commissioners per diem | | 6,300 |
| Salaries | | 973,361 |
| Employee benefits | | 653,042 |
| Operating services | | 115,929 |
| Supplies | | 7,283 |
| Professional services | | 61,871 |
| Travel | | 12,624 |
| Depreciation and amortization | | <u>129,600</u> |
| Total operating expenses | | <u>1,960,010</u> |
| Operating income | | (103,261) |
| Non-operating revenues: | | |
| Interest income | | 76,310 |
| Legislative pension contribution | | <u>141,317</u> |
| Total non-operating revenues | | <u>217,627</u> |
| Increase in net position | | 114,366 |
| Net position, beginning of year | | <u>(81,007)</u> |
| Net position, end of year | \$ | <u><u>33,359</u></u> |

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Statement of Cash Flows

For the Year Ended June 30, 2024

(See Independent Auditors' Report)

| | | |
|--|--------------------|-------------------------|
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 1,855,230 | |
| Cash paid to suppliers for goods/services | (202,283) | |
| Cash paid to employees for services | <u>(1,688,080)</u> | |
| Net cash provided by operating activities | | (35,133) |
| Cash flows from investing activities: | | |
| Maturities of investments | 111,504 | |
| Interest received | <u>61,743</u> | |
| Net cash provided by investing activities | | 173,247 |
| Cash flows from capital and related financing activities: | | |
| Purchases of capital assets | (22,426) | |
| Payments for leased asset | <u>(101,470)</u> | |
| Net cash used by financing activities | | (123,896) |
| Cash flows from non-capital and related financing activities: | | |
| Payments of employee legislative pension contributions | <u>141,317</u> | |
| Net cash provided by non-capital financing activities | | <u>141,317</u> |
| Net increase in cash and cash equivalents | | 155,535 |
| Cash and cash equivalents, beginning of year | | <u>1,516,353</u> |
| Cash and cash equivalents, end of year | \$ | <u><u>1,671,888</u></u> |
| Reconciliation of operating income to net cash provided by operating activities | | |
| Operating income | | \$ (103,261) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | \$ 129,600 | |
| Increase in assets: | | |
| Prepaid expenses | (568) | |
| Decrease in deferred outflows related to pensions and other post-employment benefits payable | 474,175 | |
| Increase (decrease) in liabilities | | |
| Accounts payable | (4,008) | |
| Accrued payroll expenses | (25,182) | |
| Compensated absences payable | (18,547) | |
| Other post-employment benefits payable | (32,754) | |
| Net pension liability | (411,871) | |
| Decrease in deferred inflows related to pensions and other post-employment benefits payable | <u>(42,717)</u> | |
| Total adjustments | | <u>68,128</u> |
| Net cash provided by operating activities | \$ | <u><u>(35,133)</u></u> |

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Organization

The Louisiana State Board of Practical Nurse Examiners (Board) is a component unit of the state of Louisiana created within the Louisiana Department of Health, as provided by Louisiana Revised Statute (R.S.) 37:92. The Board is charged with the responsibility of licensing and regulating practical nurses in the state of Louisiana.

The Board is composed of 10 members appointed by the governor for a term of six years. The Board's operations are funded entirely through self-generated revenues. The Board employs 13 classified employees and two unclassified employees.

(b) Basis of Presentation

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared in accordance with such principles.

(c) Financial Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit 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 of the Board as authorized by Louisiana statutes and administrative regulations.

Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements. The financial statements are audited by the Louisiana Legislative Auditor.

(d) Basis of Accounting

For financial reporting purposes, the Board is considered a special-purpose government engaged only in business-type activities. All activities of the Board are accounted for within a single proprietary (enterprise) fund.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the Board are accounted for using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Notes to the Financial Statements

June 30, 2024

Under the accrual basis, revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(e) Assets, Liabilities, and Net Position

Cash and Investments

Cash consists of demand deposits. Under state law, the Board may deposit funds within 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.

The Board's financial instruments, none of which are held for trading purposes, include certificates of deposit. The carrying amounts reported in the Statement of Net Position are stated at costs which approximate fair value.

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

Lease Asset

The Board records the lease asset at present value. Amortization is recorded using the straight-line method over the duration of the lease.

Capital Assets

Capital assets purchased with an original cost of \$1,000 or more are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Estimated useful life is management's estimate of how long the asset is estimated to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

| | |
|-----------|-----------|
| Equipment | 5-7 years |
| Software | 3 years |

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

Employee Compensated Absences

Employees earn and accumulate vacation and sick leave at varying rates, depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The cost of current leave privileges are recognized as a current-year expense. The liability for these compensated absences is recorded as a long-term obligation in the Statement of Net Position. The current portion of this debt cannot be reasonably estimated, and accordingly, it is not reported.

Noncurrent liabilities - 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 Teacher's Retirement System of Louisiana (TRSL) and additions to/deductions from LASERS' and TRSL's fiduciary net position have been determined on the same basis as they are reported by LASERS and TRSL. 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net positions of the Office of Group Benefits (OGB), and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by OGB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred Outflows and Inflows of Resources

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

In the statement of net position, deferred outflows of resources and deferred inflows of resources are reported for amounts related to the Board's pension plan and other post-employment benefit plan that will be amortized as a component of pension and other post-employment benefit expense in future years.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA

Notes to the Financial Statements

June 30, 2024

Net Position

Net position comprises the various net earnings from operations, nonoperating revenues, and expenses. Net position is classified in the following components:

Net investment in capital assets consists of all capital and lease assets, net of accumulated depreciation and amortization.

Unrestricted net position consists of all other resources that are not included in the other category previously mentioned.

Use of Estimates

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

(2) Stewardship, Compliance, and Accountability

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

(3) Cash and Cash Equivalents

The Board's cash includes demand deposits with a fiscal agent bank. Investments include nonnegotiable certificates of deposit. At June 30, 2024, the Board's cash and cash equivalents (book balances) consist of the following:

| | |
|--|---------------------|
| Demand deposits | \$ 1,671,888 |
| Non-negotiable certificates of deposit | <u>2,130,639</u> |
| | <u>\$ 3,802,527</u> |

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be returned to it. Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

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At June 30, 2024, the Board's bank balance of \$3,807,155 was secured by a mixture of federal deposit insurance, an irrevocable line of credit, and pledged securities held in the name of the Board by a custodial bank.

(4) Property and Equipment

A summary of changes in property and equipment and related depreciation for the fiscal year ended June 30, 2024 is as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|-----------------------------------|------------------------------|------------------|--------------------|---------------------------|
| Furniture and equipment | \$ 230,215 | 22,425 | (17,359) | 235,281 |
| Less accumulated depreciation | <u>(180,872)</u> | <u>(23,893)</u> | <u>17,359</u> | <u>(187,406)</u> |
| Total furniture and equipment | <u>49,343</u> | <u>(1,468)</u> | <u>-</u> | <u>47,875</u> |
| Software | 30,924 | - | - | 30,924 |
| Less accumulated amortization | <u>(28,046)</u> | <u>(2,878)</u> | <u>-</u> | <u>(30,924)</u> |
| Total software | <u>2,878</u> | <u>(2,878)</u> | <u>-</u> | <u>-</u> |
| Total property and equipment, net | <u>\$ 52,220</u> | <u>(4,346)</u> | <u>-</u> | <u>47,875</u> |

Depreciation and amortization expense for the year ended June 30, 2024 was \$26,771.

(5) Lease

The Board, as a lessee, has entered into lease agreements involving a building.

The total costs of the Board's lease asset is recorded as \$539,283, less accumulated amortization of \$18,875.

The future lease payments under lease agreements are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|-------------------|-----------------|----------------|
| 2025 | \$ 94,648 | 10,228 | 104,876 |
| 2026 | 106,264 | 8,082 | 114,346 |
| 2027 | 109,036 | 5,796 | 114,832 |
| 2028 | 114,242 | 3,423 | 117,665 |
| 2029 | 98,407 | 958 | 99,365 |
| | <u>\$ 522,597</u> | <u>30,487</u> | <u>533,084</u> |

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

Plan Description: The Board's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible

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active employees, retirees, and their beneficiaries. The post-employment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2024. The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Medical Benefits: Retirees under age 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO (no longer offered after December 31, 2023)

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

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO (Premium/Standard/Basic) (no longer offered after December 31, 2023)
- People's Medicare Advantage HMO
- Vantage Medical Home HMO (no longer offered after December 31, 2023)
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

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

| <u>OGB Participation</u> | <u>Employer Contribution Percentage</u> | <u>Employee Contribution Percentage</u> |
|--------------------------|---|---|
| Under 10 years | 19% | 81% |
| 10-14 years | 38% | 62% |

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| | | |
|-------------|-----|-----|
| 15-19 years | 56% | 44% |
| 20+ years | 75% | 25% |

Monthly rates effective January 1, 2024 are as follows:

| <u>Medical Plan</u> | | <u>Pre-Medicare Member</u> | | | | <u>Medicare Member</u> | | |
|----------------------|----|----------------------------|---------------|---------------|-----------------|------------------------|---------------|-----------------|
| | | <u>Active</u> | <u>Member</u> | <u>Pre-65</u> | <u>Medicare</u> | <u>Member</u> | <u>Pre-65</u> | <u>Medicare</u> |
| | | <u>Single</u> | <u>Only</u> | <u>Spouse</u> | <u>Spouse</u> | <u>Only</u> | <u>Spouse</u> | <u>Spouse</u> |
| People's MA HMO | \$ | N/A | N/A | N/A | N/A | 160 | N/A | 160 |
| BCBS Pelican HRA | \$ | 545 | 1,013 | 776 | 204 | 330 | 888 | 263 |
| BCBS Mag. Local Plus | \$ | 872 | 1,627 | 1,246 | 340 | 538 | 1,429 | 427 |
| BCBS Magnolia OA | \$ | 906 | 1,686 | 1,291 | 340 | 548 | 1,478 | 437 |
| BCBS MA HMO Reg. 1 | \$ | N/A | N/A | N/A | N/A | 174 | N/A | 174 |
| BCBS MA HMO Reg. 2 | \$ | N/A | N/A | N/A | N/A | 217 | N/A | 217 |
| BCBS MA HMO Reg. 3-4 | \$ | N/A | N/A | N/A | N/A | 197 | N/A | 197 |
| BCBS MA HMO Reg. 5-8 | \$ | N/A | N/A | N/A | N/A | 227 | N/A | 227 |
| BCBS MA HMO Reg. 9 | \$ | N/A | N/A | N/A | N/A | 212 | N/A | 212 |
| Humana MA HMO Reg. 1 | \$ | N/A | N/A | N/A | N/A | 34 | N/A | 34 |
| Humana MA HMO Reg. 2 | \$ | N/A | N/A | N/A | N/A | 178 | N/A | 178 |
| Humana MA HMO Reg. 3 | \$ | N/A | N/A | N/A | N/A | 145 | N/A | 145 |
| Humana MA HMO Reg. 4 | \$ | N/A | N/A | N/A | N/A | 158 | N/A | 158 |
| Humana MA HMO Reg. 5 | \$ | N/A | N/A | N/A | N/A | 158 | N/A | 158 |
| Humana MA HMO Reg. 6 | \$ | N/A | N/A | N/A | N/A | 208 | N/A | 208 |
| Humana MA HMO Reg. 7 | \$ | N/A | N/A | N/A | N/A | 224 | N/A | 224 |
| Humana MA HMO Reg. 8 | \$ | N/A | N/A | N/A | N/A | 214 | N/A | 214 |
| Humana MA HMO Reg. 9 | \$ | N/A | N/A | N/A | N/A | 204 | N/A | 204 |

For purposes of the OPEB valuation, the above amounts were trended back six months to the valuation date.

Life Insurance Benefits: OGB provides eligible retirees the following life insurance plans:

| | <u>Basic</u> | <u>Supplemental Maximum</u> |
|---------------|--------------|---------------------------------|
| Under age 65 | \$ 5,000 | 50,000 |
| Ages 65 to 70 | 4,000 | 38,000 |
| After age 70 | 3,000 | 25,000 |

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000, or \$4,000 are available. Retiree pays 50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

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

At June 30, 2024, the Board reported a liability of \$1,236,026 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2023 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. At July 1, 2023, the Board's proportion was 0.0173%.

Actuarial Assumptions:

Valuation Date: July 1, 2023

Measurement Date: July 1, 2023

Actuarial Cost Method: Entry Age Normal, level percent of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

Discount Rate: The discount rate used as of July 1, 2023 is 4.13% based on the June 30, 2023 S&P 20-year municipal bond index rate.

Inflation Rate: 2.40%

Salary Increases: The rates of salary increases are consistent with the assumption used in the June 30, 2023 Louisiana State Employees' Retirement System Actuarial Valuation.

Healthcare Cost Trend Rates: The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match the State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates applicable to medical and prescription drug benefits are as follows:

| <u>Year</u> | <u>Medical and Drug Pre-65</u> | <u>Medical and Drug Post-65</u> |
|-------------|------------------------------------|-------------------------------------|
| 2023-2024 | 7.00% | 6.50% |
| 2024-2025 | 7.00% | 6.50% |
| 2025-2026 | 6.75% | 6.25% |
| 2026-2027 | 6.50% | 6.00% |
| 2027-2028 | 6.25% | 5.75% |

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| | | |
|------------|-------|-------|
| 2028-2029 | 6.00% | 5.50% |
| 2029-2030 | 5.75% | 5.25% |
| 2030-2031 | 5.50% | 5.00% |
| 2031-2032 | 5.25% | 4.75% |
| 2032-2033 | 5.00% | 4.50% |
| 2033-2034 | 4.75% | 4.50% |
| Thereafter | 4.50% | 4.50% |

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

Healthcare Claim Cost: Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2022 through December 31, 2023. The claims experience was trended to the valuation date.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2024 premiums adjusted to the valuation date using the Medicare trend reflecting IRA assumption on the prior page.

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

The table below indicates the assumed 2023 per capita costs normalized to male retiree age 65:

| <u>Plan</u> | <u>Without Medicare Retirement Date Before 3/1/15</u> | <u>With Medicare Retirement Date Before 3/1/15</u> | <u>Without Medicare Retirement Date After 3/1/15</u> | <u>With Medicare Retirement Date After 3/1/15</u> |
|--------------------------------|---|--|--|---|
| Medical Home HMO | 23,492 | 5,558 | 23,506 | 5,561 |
| People's MA HMO | N/A | 1,554 | N/A | 1,554 |
| BCBS MA HMO | N/A | 2,040 | N/A | 2,040 |
| Humana MA HMO | N/A | 1,243 | N/A | 1,243 |
| Via Benefits HRA | N/A | 2,400 | N/A | 2,400 |
| BCBS Pelican HRA | 15,643 | 3,030 | 15,643 | 3,030 |
| BCBS Magnolia Local/Local Plus | 21,406 | 3,856 | 20,687 | 3,758 |
| BCBS Magnolia Open Access | 21,808 | 3,478 | 20,993 | 3,404 |

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

Age-Related Morbidity: Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and

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prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender-distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

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

Basis for Demographic Assumptions: The actuary relied upon the assumptions used in the June 30, 2023 Louisiana State Employees' Retirement System (LASERS) pension valuations, for the mortality, retirement, termination, disability, and salary scale assumptions.

The assumptions used in the June 30, 2023 LASERS pension valuation were revised as of the June 30, 2019 valuation based on an experience study for the period July 1, 2013 through June 30, 2018.

Mortality: For General active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For General healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety active lives: the RP-2014 Blue Collar Employee Table, adjusted by 1.005 for males and 1.129 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.185 for males and 1.017 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

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For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

***Rates of Retirement:* The rates of retirement are consistent with the assumptions used in the June 30, 2023 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.**

| <u>Age</u> | Regular Members Years of Service | | | | |
|------------|---|--------------|--------------|--------------|------------|
| | <u><10</u> | <u>10-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30+</u> |
| 55 | 0% | 18% | 18% | 60% | 60% |
| 60 | 35% | 35% | 35% | 35% | 35% |
| 65 | 20% | 20% | 20% | 20% | 20% |
| 66 | 18% | 18% | 18% | 18% | 18% |
| 67 | 18% | 18% | 18% | 18% | 18% |
| 68 | 18% | 18% | 18% | 18% | 18% |
| 69 | 18% | 18% | 18% | 18% | 18% |
| 70 - 74 | 18% | 18% | 18% | 18% | 18% |
| 75+ | 100% | 100% | 100% | 100% | 100% |

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

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 40 | 0.10% |
| 45 | 0.15% |
| 50 | 0.22% |
| 55 | 0.30% |
| 60 | 0.00% |

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

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| <u>Age</u> | <u><1</u> | <u>1</u> | <u>2-3</u> | <u>4-6</u> | <u>7-9</u> | <u>10+</u> |
|------------|--------------|----------|------------|------------|------------|------------|
| 20 | 50.0% | 38.0% | 33.0% | 23.0% | 10.5% | 8.0% |
| 30 | 29.0% | 23.0% | 18.0% | 13.3% | 10.5% | 8.0% |
| 40 | 28.0% | 18.0% | 15.0% | 13.0% | 8.0% | 5.5% |
| 45 | 25.0% | 18.0% | 14.0% | 12.5% | 8.0% | 5.0% |
| 50 | 25.0% | 18.0% | 12.5% | 11.5% | 7.5% | 5.0% |
| 55 | 20.0% | 18.0% | 11.5% | 8.5% | 7.0% | 5.0% |
| 60 | 20.0% | 18.0% | 11.5% | 8.5% | 7.0% | 5.0% |

Participation Rate - Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2017 through June 30, 2020. To be eligible for retiree coverage, the participant's coverage must be in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

Participation Rate - Life Insurance: 36% of future retirees are assumed to participate in the life insurance plan. This assumption is based on a review of plan experience from July 1, 2017 through June 30, 2020. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

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

| <u>Medical Plan</u> | <u>Pre-Medicare %</u> | <u>Medicare %</u> |
|---------------------|-----------------------|-------------------|
| BCBS Pelican HRA | 10% | 6% |
| BCBS Magnolia L/LP | 83% | 73% |
| BCBS Magnolia OA | 7% | 15% |
| People's MA HMO | N/A | 1% |
| BCBS MA HMO | N/A | 3% |
| Humana MA HMO | N/A | 1% |
| Via Benefits HRA | N/A | 1% |

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

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

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

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2017 through June 30, 2020.

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

| <u>Turns Age 65 by</u> | <u>Medicare Eligibility %</u> |
|------------------------|-------------------------------|
| 7/1/2023 | 92% |
| 7/1/2024 | 93% |
| 7/1/2025 | 94% |
| 7/1/2026 | 95% |
| 7/1/2027 | 96% |
| 7/1/2028 | 97% |
| 7/1/2029 | 98% |
| After 7/1/2030 | 99% |

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2017 through June 30, 2020.

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

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

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

- The discount rate has increased from 4.09% to 4.13%.
- Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions

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that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).

- The healthcare cost trend was updated.

Required Supplementary Information

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

| | 1% Decrease <u>(3.13%)</u> | Current Discount Rate <u>(4.13%)</u> | 1% Increase <u>(5.13%)</u> |
|---|-------------------------------|--|-------------------------------|
| Proportionate Share of the Total Collective OPEB liability | \$ <u>1,449,333</u> | \$ <u>1,236,026</u> | <u>1,066,006</u> |

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

| | 1% Decrease <u>(5.25%)</u> | Current Healthcare Cost Trend Rate <u>(6.25%)</u> | 1% Increase <u>(7.25%)</u> |
|---|-------------------------------|--|-------------------------------|
| Proportionate Share of the Total Collective OPEB liability | \$ <u>1,061,399</u> | <u>1,236,026</u> | <u>1,457,084</u> |

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

For the year ended June 30, 2024, the Board recognized an OPEB benefit of \$9,206. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|------------------------|---|--|
| Changes in assumptions | \$ 77,921 | (258,502) |

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| | | |
|--|-------------------|------------------|
| Changes in experience | 24,945 | - |
| Changes in proportionate share of collective OPEB expense | 38,221 | (101,728) |
| Difference in proportionate share of employer payments and actual payments | 1,305 | (2,603) |
| Contributions made subsequent to measurement date | <u>40,512</u> | <u>-</u> |
| | <u>\$ 182,904</u> | <u>(362,833)</u> |

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

Year ended:

| | | |
|---------------|----|----------|
| June 30, 2025 | \$ | (67,239) |
| June 30, 2026 | \$ | (86,451) |
| June 30, 2027 | \$ | (58,590) |
| June 30, 2028 | \$ | (8,161) |

(7) Retirement System

Louisiana State Employees Retirement System

Plan Description

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

Benefits Provided

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

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon

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completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

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

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

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

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

Deferred Retirement Benefits

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

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

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

Disability Benefits

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

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

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

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

Survivor's Benefits

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

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

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

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Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. For a surviving spouse with children under 18 or turning 18, benefits are equal to 60% of final average compensation and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage and then benefit is paid to children under 18.

Cost-of-Living Adjustments

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

Employer Contributions

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

The Board's contractually required composite contribution rate for the year ended June 30, 2024 was 41.3% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Board were \$328,125 for the year ended June 30, 2024.

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

At June 30, 2024, the Boards reported a liability of \$2,512,081 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 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, 2023, the Board's proportion was 0.0375%, which was a decrease of 0.0010% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Board recognized pension expense of \$378,186 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$104,930. Additionally, during the

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year ended June 30, 2024, the Board recognized other income totaling \$141,317 for its proportionate share of funds contributed to the System by the State of Louisiana.

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 54,379 | - |
| Changes in assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 14,361 | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 2,709 | (34,303) |
| Employer contributions subsequent to measurement date | <u>328,125</u> | <u>-</u> |
| | <u>\$ 399,574</u> | <u>(34,303)</u> |

\$328,125 reported as deferred outflows of resources related to pensions resulting from the Examiner's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

| | |
|---------------|-------------|
| June 30, 2025 | \$ 37,071 |
| June 30, 2026 | \$ (90,720) |
| June 30, 2027 | \$ 123,728 |
| June 30, 2028 | \$ (32,933) |

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

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| Valuation Date | June 30, 2023 | | | | | | | | | | | | | | | | | | |
|--|---|--------------------|--------------------|--------------------|---------|------|-------|--------|------|------|-------------|------|-------|----------------|------|-------|----------|------|-------|
| Actuarial Cost Method | Entry Age Normal | | | | | | | | | | | | | | | | | | |
| Actuarial Assumptions: | | | | | | | | | | | | | | | | | | | |
| Expected Remaining Service Lives | Two years | | | | | | | | | | | | | | | | | | |
| Investment Rate of Return | 7.25% per annum, net of investment expenses | | | | | | | | | | | | | | | | | | |
| Inflation Rate | 2.3% per annum | | | | | | | | | | | | | | | | | | |
| Mortality | <p>Non-disabled members – 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.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p> | | | | | | | | | | | | | | | | | | |
| Termination, Disability, and Retirement | Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System’s members. | | | | | | | | | | | | | | | | | | |
| Salary Increases | <p>Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table> | <u>Member Type</u> | <u>Lower Range</u> | <u>Upper Range</u> | Regular | 3.0% | 12.8% | Judges | 2.6% | 5.1% | Corrections | 3.6% | 13.8% | Hazardous Duty | 3.6% | 13.8% | Wildlife | 3.6% | 13.8% |
| <u>Member Type</u> | <u>Lower Range</u> | <u>Upper Range</u> | | | | | | | | | | | | | | | | | |
| Regular | 3.0% | 12.8% | | | | | | | | | | | | | | | | | |
| Judges | 2.6% | 5.1% | | | | | | | | | | | | | | | | | |
| Corrections | 3.6% | 13.8% | | | | | | | | | | | | | | | | | |
| Hazardous Duty | 3.6% | 13.8% | | | | | | | | | | | | | | | | | |
| Wildlife | 3.6% | 13.8% | | | | | | | | | | | | | | | | | |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. | | | | | | | | | | | | | | | | | | |

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return

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(expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2023 are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------|---|
| Cash | 0.80% |
| Domestic equity | 4.45% |
| International equity | 5.44% |
| Domestic Fixed Income | 2.04% |
| International Fixed Income | 5.33% |
| Alternative Investments | 8.19% |
| Total Fund | 5.75% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

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| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|--------------------------------|--|--------------------------------|
| Employer’s proportionate share of the net pension liability | \$ <u>3,289,363</u> | <u>2,512,081</u> | <u>1,853,559</u> |

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

Pension Plan Fiduciary Net Position

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

At June 30, 2024, the Board had \$23,751 payable to LASERS for the June 2024 employee and employer legally required contributions.

Teacher’s Retirement System of Louisiana

Plan Description

Certain employees of the Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers’ Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Retirement Benefits

Most members are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2011, or the highest 60 consecutive months of employment for members employed after that date.

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the benefit factor and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

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A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. However in lieu of the maximum monthly benefit, the member may elect to receive a reduced monthly benefit (based on a named beneficiary's age). In addition, all options (except Option 1) are allowed a lump sum that cannot exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced monthly benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed three years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year maximum participation period. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account.

Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Disability Retirement Benefits

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

Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no

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longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of two) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to two eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

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 sub-plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2024 are as follows:

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| <u>TRSL Sub Plan</u> | <u>Employer Contributions</u> |
|--------------------------------------|-------------------------------|
| K-12 Regular Plan, Lunch Plans A & B | 24.1% |
| Higher Ed Regular Plan | 23.3% |
| <u>ORP</u> | 20.16% |

The Board's contractually required composite contribution rate for the year ended June 30, 2023 was 24.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Board were \$38,637 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of \$262,051 for its proportionate share of the TRSL net pension liability (NPL). The NPL for TRSL was measured as of June 30, 2023, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The Board's proportion of the NPL was based on projections of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2023, the most recent measurement date, the Board's proportion was 0.00290% which was an increase of 0.0050% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2023, the Board recognized a total pension expense of \$29,664 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$40,228.

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ 12,307 | - |
| Changes in assumptions | 11,819 | (8,545) |
| Net difference between projected and actual earnings on pension plan investments | 17,938 | (15) |
| Changes in proportion | 36,991 | (3,482) |

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| | | |
|---|-------------------|-----------------|
| Changes in proportion and differences between employer contributions and actual contributions | 539 | (2,143) |
| Employer contributions subsequent to measurement date | <u>38,637</u> | <u>-</u> |
| | <u>\$ 121,222</u> | <u>(14,185)</u> |

\$38,637 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

| | | |
|---------------|----|---------|
| June 30, 2025 | \$ | 38,055 |
| June 30, 2026 | \$ | (3,466) |
| June 30, 2027 | \$ | 28,868 |
| June 30, 2028 | \$ | 1,952 |

Actuarial Assumptions

The total pension liability for TRSL in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

| | |
|---|--|
| Valuation Date | June 30, 2023 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | Five years |
| Investment Rate of Return | 7.25% per annum, net of investment expenses * |
| Inflation Rate | 2.40% per annum |
| Mortality | Active members- Pub2010T-Below Median Employee (amount weighted) tables for males and females, adjusted by 0.965 for males and by 0.942 for females. |
| | Non-disabled retiree/inactive members – Pub2010 Below Median Retiree (amount weighted) tables for males and females, adjusted by 1.173 for males and 1.258 for females. |

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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June 30, 2024

Disability retiree mortality – Pub2010T-Disability (amount weighted) tables for males and females, adjusted by factors of 1.043 for males and by 1.092 for females.

Contingent survivor mortality – Pub 2010T-Below Median – Contingent Survivor (amount weighted) tables for males and females, adjusted by factors of 1.079 for males and .919 for females.

These base tables are adjusted from 2010 to 2019 (base year, representing the mid-point of the experience study) with continued future mortality improvement projected using the MP-2021 improvement table on a fully generational basis.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2018-2022) experience study of the System’s members.

Salary Increases

Salary increases were projected between 2.41%-4.85% varies depending on duration of service.

Cost of Living Adjustments

None

**The investment rate of return used in the actuarial valuation for funding purposes was 7.6%, recognizing an additional 35 basis points gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term geometric nominal expected rates of return are 8.72% for 2023. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 as summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------|--------------------------|---|
| Domestic equity | 22.5% | 4.55% |
| International equity | 11.5% | 5.01% |
| Domestic fixed income | 8.0% | 2.20% |

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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Notes to the Financial Statements

June 30, 2024

| | | |
|-----------------------------------|--------------|----------------|
| International fixed income | 6.0% | (0.29%) |
| Private equity | 37.0% | 8.24% |
| Other private assets | 15.0% | 4.32% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually-required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Board's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Board's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|--------------------------------|--|--------------------------------|
| Employer's proportionate share of the net pension liability | \$ <u>371,206</u> | <u>262,052</u> | <u>170,218</u> |

Pension Plan Fiduciary Net Position

Detailed information about TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan

At June 30, 2024, the Board had \$4,351 payable to TRSL for the June 2024 employee and employer legally required contributions.

(8) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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Notes to the Financial Statements

June 30, 2024

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|--|------------------------------|-----------------------|-------------------------|---------------------------|--|
| Compensated absences | \$ 104,090 | - | (18,547) | 85,543 | - |
| Lease liability | 84,785 | 437,812 | | 522,597 | 94,648 |
| Other post- employment benefits plan | 1,268,780 | - | (32,754) | 1,236,026 | 40,512 |
| Net pension liability | <u>3,186,003</u> | <u>-</u> | <u>(411,871)</u> | <u>2,774,132</u> | <u>-</u> |
| Total | <u>\$ 4,643,658</u> | <u>437,812</u> | <u>(463,172)</u> | <u>4,618,298</u> | <u>135,160</u> |

(9) Related Party Transactions

There were no related party transactions during the year.

(10) Contingent Liabilities

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 General Fund appropriation.

There is no pending litigation or claims against the Board at June 30, 2024, which if asserted, in the opinion of the Board's management, would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

(11) Evaluation of Subsequent Events

Subsequent events were evaluated through September 3, 2024, which is the date the financial statements were available to be issued.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
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Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Louisiana State Employees' Retirement System (LASERS) | | | | | | | | | | |
| Employer's proportion of net pension liability | 0.03730% | 0.03622% | 0.03590% | 0.03620% | 0.03764% | 0.03861% | 0.03438% | 0.03412% | 0.03854% | 0.03753% |
| Employer's proportionate share of net pension liability | 2,332,203 | 2,463,506 | 2,819,065 | 2,550,942 | 2,566,952 | 2,797,261 | 2,843,704 | 1,877,956 | 2,913,524 | 2,512,081 |
| Employer's covered-employee payroll | 695,042 | 684,226 | 722,089 | 677,134 | 675,688 | 756,868 | 754,827 | 720,075 | 782,038 | 862,225 |
| Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll | 336% | 360% | 390% | 377% | 380% | 370% | 377% | 261% | 373% | 291% |
| Plan fiduciary net position as a percentage of the total pension liability | 65% | 63% | 58% | 63% | 64% | 63% | 58% | 73% | 64% | 64% |
| Measurement date | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 |
| Teachers' Retirement System of Louisiana (TRSL) | | | | | | | | | | |
| Employer's proportion of net pension liability | None | None | None | 0.00112% | 0.00112% | 0.00122% | 0.00293% | 0.00288% | 0.28800% | 0.00290% |
| Employer's proportionate share of net pension liability | None | None | None | 115,231 | 110,172 | 120,584 | 326,365 | 153,970 | 272,479 | 262,051 |
| Employer's covered-employee payroll | None | None | None | 48,501 | 55,846 | 56,041 | 96,664 | 139,350 | 143,616 | 157,614 |
| Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll | | | | 238% | 197% | 215% | 338% | 110% | 190% | 166% |
| Plan fiduciary net position as a percentage of the total pension liability | | | | 66% | 68% | 69% | 66% | 84% | 72% | 74% |
| Measurement date | | | | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 |

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

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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Schedule of Employer's Contributions

Last 10 Fiscal Years

| <u>Date</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|--|--|---|---|--|---|
| Louisiana State Employees' Retirement System (LASERS) | | | | | |
| 2015 | 262,563 | 262,563 | - | 684,226 | 38.9% |
| 2016 | 268,617 | 268,617 | - | 722,089 | 37.2% |
| 2017 | 242,414 | 242,414 | - | 677,134 | 35.8% |
| 2018 | 265,086 | 265,086 | - | 675,688 | 37.9% |
| 2019 | 286,628 | 286,628 | - | 756,868 | 37.9% |
| 2020 | 307,214 | 307,214 | - | 754,827 | 40.7% |
| 2021 | 288,750 | 288,750 | - | 720,075 | 40.1% |
| 2022 | 309,072 | 309,072 | - | 782,038 | 39.5% |
| 2023 | 348,272 | 348,272 | - | 862,225 | 40.4% |
| 2024 | 328,125 | 328,125 | - | 794,491 | 41.3% |
| Teachers' Retirement System of Louisiana (TRSL) | | | | | |
| 2017 | 12,901 | 12,901 | - | 48,501 | 26.6% |
| 2018 | 13,315 | 13,315 | - | 55,846 | 23.8% |
| 2019 | 14,907 | 14,907 | - | 56,041 | 26.6% |
| 2020 | 25,163 | 25,163 | - | 96,664 | 26.0% |
| 2021 | 35,953 | 35,953 | - | 139,350 | 25.8% |
| 2022 | 36,223 | 36,223 | - | 143,616 | 25.2% |
| 2023 | 39,155 | 39,155 | - | 157,614 | 24.8% |
| 2024 | 36,637 | 36,637 | - | 160,320 | 22.9% |

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

See independent auditors' report and accompanying notes to required supplementary information.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

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

Last 10 Fiscal Years *

LASERS:

Changes in Benefit Terms:

Measurement Date: June 30, 2014:

- 1. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative System.**
- 2. Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.**

Measurement Date: June 30, 2016:

- 1. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.**
- 2. Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

Measurement Date: June 30, 2019:

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

Measurement Date: June 30, 2021:

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

Changes in Assumptions:

Measurement Date: June 30, 2017:

- 1. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019.**

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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**Notes to Required Supplementary Information - Schedule of Employer's Share
of Net Pension Liability and Schedule of Employer's Contributions**

Last 10 Fiscal Years *

2. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.
3. The projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

Measurement Date: June 30, 2018:

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

Measurement Date: June 30, 2019:

1. In accordance with the Board's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.7% to 7.60.
2. The Board reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.

Measurement Date: June 30, 2020:

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

Measurement Date: June 30, 2021:

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

Measurement Date: June 30, 2022:

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

Measurement Date: June 30, 2023:

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

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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**Notes to Required Supplementary Information - Schedule of Employer's Share
of Net Pension Liability and Schedule of Employer's Contributions**

Last 10 Fiscal Years *

TRSL:

Changes in Benefit Terms:

Measurement Date: June 30, 2017:

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

Changes in Assumptions:

Measurement Date: June 30, 2017:

1. Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.

Measurement Date: June 30, 2018:

1. The discount rate was reduced from 7.75% to 7.70%.
2. Mortality tables were changed as follows:
 - a. Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.
 - b. Non-disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.
 - c. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.

These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

Measurement Date: June 30, 2019:

1. The discount rate was reduced from 7.70% to 7.65%.

Measurement Date: June 30, 2020:

1. The discount rate was reduced from 7.65% to 7.55%.

Measurement Date: June 30, 2021:

1. The discount rate for the June 30, 2021 valuation was reduced from 7.45% to 7.40%. This change was anticipated in the determination of the projected contribution requirements for Fiscal Year 2021/2022. The Board adopted a further reduction in the discount rate to 7.25% for purposes of determining the projected contribution requirements for Fiscal Year 2022/2023.

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

Last 10 Fiscal Years *

2. Two triggers set by Act 95 of 2016 were met on June 30, 2021. Since the funded ratio reached 70%, the amortization period for changes in assumptions, experience losses, and most experience gains reduced from 30 years to 20 years. Also, the OAB was re-amortized with level-dollar payments to 2029 since this reamortization resulted in annual payments which are less than the FY 2021/2022 payments that would have been required without the re-amortization.

Measurement Date: June 30, 2022:

1. The discount rate for the June 30, 2022 valuation was reduced from 7.4% to 7.25%. This change was anticipated in the determination of the projected contribution requirements for Fiscal Year 2022/2023.

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

Last 10 Fiscal Years*

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Employer's proportion of total collective OPEB liability | 0.0003% | 0.0197% | 0.0184% | 0.0184% | 0.0180% | 0.0180% | 0.0188% | 0.0173% |
| Employer's proportionate share of total collective OPEB liability | 22,928 | 1,713,606 | 1,586,518 | 1,432,202 | 1,490,787 | 1,651,512 | 1,268,780 | 1,236,026 |
| Employer's covered-employee payroll | 62,322 | 675,688 | 723,834 | 723,834 | 793,260 | 820,086 | 923,258 | 898,927 |
| Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll | 37% | 254% | 219% | 198% | 188% | 201% | 137% | 138% |
| Measurement date | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 | July 1, 2020 | July 1, 2021 | July 1, 2022 | July 1, 2023 |

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

See independent auditors' report and accompanying notes to required supplementary information.

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

Last 10 Fiscal Years *

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay-related benefits.

Changes in Benefit Terms:

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

Changes in Assumptions:

Measurement Date: July 1, 2017:

1. The discount rate increased from 2.71% to 3.13%.

Measurement Date: July 1, 2018:

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

Measurement Date: July 1, 2019:

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

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

Last 10 Fiscal Years *

Measurement Date: July 1, 2020:

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

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

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

Measurement Date: June 30, 2021:

1. The discount rate was decreased from 2.66% to 2.18%.
2. Baseline per capita costs were updated to reflect 2021 claims and enrollment.
3. Medical plan election percentages were updated based on the coverage elections of recent retirees.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
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**Notes to Required Supplementary Information - Schedule of Employer's
Proportionate Share of Total Collective OPEB Liability**

Last 10 Fiscal Years *

- 4. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.**

Measurement Date: July 1, 2022:

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

Measurement Date: June 30, 2023:

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners

PREPARED BY: Randy Martinez

PHONE NUMBER: 985-327-7311

EMAIL ADDRESS: randy@pinmarcpa.com

SUBMITTAL DATE: 09/04/2024 02:43 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

| | |
|--|-----------------------|
| CASH AND CASH EQUIVALENTS | 1,671,888.00 |
| INVESTMENTS: | |
| OTHER INVESTMENTS | 2,130,639.00 |
| 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) | 24,966.00 |
| 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 | 19,057.00 |
| NOTES RECEIVABLE - CURRENT | 0.00 |
| OTHER CURRENT ASSETS | 0.00 |
| TOTAL CURRENT ASSETS | \$3,846,550.00 |

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 | 0.00 |
| BUILDING & IMPROVEMENTS | |
| BUILDINGS AND IMPROVEMENTS (GROSS) | 0.00 |
| BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION) | 0.00 |
| MACHINERY & EQUIPMENT | |
| MACHINERY AND EQUIPMENT (GROSS) | 235,281.00 |

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| | |
|---|-----------------------|
| MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION) | (187,406.00) |
| INFRASTRUCTURE | |
| INFRASTRUCTURE (GROSS) | 0.00 |
| INFRASTRUCTURE (ACCUMULATED DEPRECIATION) | 0.00 |
| INTANGIBLE ASSETS | |
| INTANGIBLE ASSETS (GROSS) | 30,924.00 |
| INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION) | (30,924.00) |
| CONSTRUCTION IN PROGRESS | 0.00 |
| INTANGIBLE RIGHT-TO-USE ASSETS: | |
| LEASED LAND | |
| LEASED LAND (GROSS) | 0.00 |
| LEASED LAND (ACCUMULATED AMORTIZATION) | 0.00 |
| LEASED BUILDING & OFFICE SPACE | |
| LEASED BUILDING & OFFICE SPACE (GROSS) | 539,283.00 |
| LEASED BUILDING & OFFICE SPACE (ACCUMULATED AMORTIZATION) | (18,875.00) |
| LEASED MACHINERY & EQUIPMENT | |
| LEASED MACHINERY & EQUIPMENT (GROSS) | 0.00 |
| LEASED MACHINERY & EQUIPMENT (ACCUMULATED AMORTIZATION) | 0.00 |
| SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) | |
| SBITA (GROSS) | 0.00 |
| SBITA (ACCUMULATED AMORTIZATION) | 0.00 |
| PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENT (P3) | |
| P3 (GROSS) (Only relates to Operator) | 0.00 |
| P3 (ACCUMULATED AMORTIZATION) (Only relates to Operator) | 0.00 |
| OTHER NONCURRENT ASSETS | 0.00 |
| TOTAL NONCURRENT ASSETS | \$568,283.00 |
| TOTAL ASSETS | \$4,414,833.00 |

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 | 182,904.00 |
| PENSION-RELATED | 517,806.00 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$700,710.00 |

LIABILITIES

CURRENT LIABILITIES:

| | |
|------------------------------------|-----------|
| ACCOUNTS PAYABLE | |
| SALARIES, WAGES & RELATED BENEFITS | 50,012.00 |
| TRAVEL & TRAINING | 0.00 |
| OPERATING SERVICES | 2,553.00 |
| PROFESSIONAL SERVICES | 0.00 |
| SUPPLIES | 0.00 |
| GRANTS & PUBLIC ASSISTANCE | 0.00 |
| OTHER CHARGES | 0.00 |
| CAPITAL OUTLAY | 0.00 |

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| | |
|------------------------------------|------|
| ACCRUED INTEREST | 0.00 |
| DERIVATIVE INSTRUMENTS | 0.00 |
| DUE TO OTHER FUNDS | 0.00 |
| DUE TO FEDERAL GOVERNMENT | 0.00 |
| UNEARNED REVENUES | 0.00 |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 0.00 |
| OTHER CURRENT LIABILITIES | 0.00 |

CURRENT PORTION OF LONG-TERM LIABILITIES:

| | |
|---|---------------------|
| CONTRACTS PAYABLE | 0.00 |
| COMPENSATED ABSENCES PAYABLE | 0.00 |
| LEASE LIABILITY | 94,648.00 |
| SBITA LIABILITY | 0.00 |
| P3 LIABILITY (Only relates to Operator) | 0.00 |
| NOTES PAYABLE | 0.00 |
| BONDS PAYABLE | 0.00 |
| POLLUTION REMEDIATION OBLIGATIONS | 0.00 |
| ESTIMATED LIABILITY FOR CLAIMS | 0.00 |
| OPEB LIABILITY | 40,512.00 |
| OTHER LONG-TERM LIABILITIES | 0.00 |
| TOTAL CURRENT LIABILITIES | \$187,725.00 |

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

| | |
|---|-----------------------|
| CONTRACTS PAYABLE | 0.00 |
| COMPENSATED ABSENCES PAYABLE | 85,543.00 |
| LEASE LIABILITY | 427,949.00 |
| SBITA LIABILITY | 0.00 |
| P3 LIABILITY (Only relates to Operator) | 0.00 |
| NOTES PAYABLE | 0.00 |
| BONDS PAYABLE | 0.00 |
| POLLUTION REMEDIATION OBLIGATIONS | 0.00 |
| ESTIMATED LIABILITY FOR CLAIMS | 0.00 |
| OPEB LIABILITY | 1,195,514.00 |
| NET PENSION LIABILITY | 2,774,132.00 |
| OTHER LONG-TERM LIABILITIES | 0.00 |
| TOTAL NONCURRENT LIABILITIES | \$4,483,138.00 |
| TOTAL LIABILITIES | \$4,670,863.00 |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|---------------------|
| ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS | 0.00 |
| DEFERRED AMOUNTS ON DEBT REFUNDING | 0.00 |
| LEASE-RELATED | 0.00 |
| P3-RELATED (Only relates to Transferor) | 0.00 |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS | 0.00 |
| SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES | 0.00 |
| GAINS FROM SALE-LEASEBACK TRANSACTIONS | 0.00 |
| SPLIT INTEREST AGREEMENTS | 0.00 |
| POINTS RECEIVED ON LOAN ORIGATION | 0.00 |
| LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE | 0.00 |
| OPEB-RELATED | 362,833.00 |
| PENSION-RELATED | 48,488.00 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$411,321.00 |

NET POSITION:

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| | |
|----------------------------------|----------------------|
| NET INVESTMENT IN CAPITAL ASSETS | 45,686.00 |
| 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 | \$(12,327.00) |
| TOTAL NET POSITION | \$33,359.00 |

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OPERATING REVENUES:

| | |
|---------------------------------|-----------------------|
| SALES OF COMMODITIES & SERVICES | 5,094.00 |
| ASSESSMENTS | 204,300.00 |
| USE OF MONEY & PROPERTY | 0.00 |
| LICENSES, PERMITS & FEES | 1,645,836.00 |
| FEDERAL GRANTS & CONTRACTS | 0.00 |
| OTHER | 1,519.00 |
| TOTAL OPERATING REVENUES | \$1,856,749.00 |

OPERATING EXPENSES:

| | |
|---|-----------------------|
| COST OF SALES & SERVICES | 0.00 |
| ADMINISTRATIVE | 1,830,410.00 |
| DEPRECIATION | 23,892.00 |
| AMORTIZATION | 105,708.00 |
| UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund) | 0.00 |
| TOTAL OPERATING EXPENSES | \$1,960,010.00 |

OPERATING INCOME (LOSS) \$ (103,261.00)

NONOPERATING REVENUES(EXPENSES)

| | |
|---|---------------------|
| NON-OPERATING INTERGOVERNMENTAL REVENUES | 0.00 |
| NON-OPERATING INTERGOVERNMENTAL EXPENSES | 0.00 |
| GAIN ON SALE OF CAPITAL ASSETS | 0.00 |
| LOSS ON SALE OF CAPITAL ASSETS | 0.00 |
| FEDERAL GRANTS | 0.00 |
| INTEREST EXPENSE | 0.00 |
| OTHER NON-OPERATING REVENUES | 217,627.00 |
| OTHER NON-OPERATING EXPENSES | 0.00 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | \$217,627.00 |

INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS \$114,366.00

| | |
|-----------------------|------|
| CAPITAL CONTRIBUTIONS | 0.00 |
| TRANSFERS IN | 0.00 |
| TRANSFERS OUT | 0.00 |

CHANGE IN NET POSITION \$114,366.00

NET POSITION - BEGINNING **\$ (81,007.00)**

NET POSITION - RESTATEMENT

NET POSITION - RESTATEMENT - ERROR CORRECTION 0.00

NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE 0.00

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NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY 0.00

NET POSITION - ENDING \$33,359.00

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|----------------------|
| RECEIPTS FROM CUSTOMERS | 1,855,230.00 |
| 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 | (202,283.00) |
| PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS | 0.00 |
| PAYMENTS TO EMPLOYEES FOR SERVICES | (1,688,080.00) |
| 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 | \$(35,133.00) |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

| | |
|--|---------------------|
| PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT | 0.00 |
| RECEIPTS FROM OPERATING GRANTS | 0.00 |
| RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE | 0.00 |
| RECEIPTS FROM OTHER FUNDS | 141,317.00 |
| 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 | \$141,317.00 |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

| | |
|---|-----------------------|
| PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT | 0.00 |
| RECEIPTS FROM CAPITAL GRANTS | 0.00 |
| PROCEEDS FROM THE SALE OF CAPITAL ASSETS | 0.00 |
| RECEIPTS FROM LESSOR LEASES AND P3 ARRANGEMENTS | 0.00 |
| PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS | (22,426.00) |
| PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT | 0.00 |
| PAYMENTS FOR INTEREST ON CAPITAL DEBT | 0.00 |
| PAYMENTS FOR INTANGIBLE RIGHT TO USE ASSETS | (101,470.00) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | \$(123,896.00) |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---|---------------------|
| PURCHASES OF INVESTMENTS | 0.00 |
| PROCEEDS FROM THE SALE OF INVESTMENTS | 111,504.00 |
| INTEREST AND DIVIDENDS | 61,743.00 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | \$173,247.00 |

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| | |
|---|-----------------------|
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS | \$155,535.00 |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR | 1,516,353.00 |
| RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS | 0.00 |
| CASH & CASH EQUIVALENTS AT END OF YEAR | \$1,671,888.00 |

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

OPERATING INCOME (LOSS) **\$(103,261.00)**

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

| | |
|--|--------------|
| DEPRECIATION/AMORTIZATION | 129,600.00 |
| 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 | (568.00) |
| (INCREASE)/DECREASE IN INVENTORIES | 0.00 |
| (INCREASE)/DECREASE IN OTHER ASSETS | 0.00 |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB | 53,820.00 |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS | 420,355.00 |
| (INCREASE)/DECREASE IN OTHER DEFERRED OUTFLOWS | 0.00 |
| INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS | (29,190.00) |
| INCREASE/(DECREASE) IN COMPENSATED ABSENCES | (18,547.00) |
| INCREASE/(DECREASE) IN DUE TO OTHER FUNDS | 0.00 |
| INCREASE/(DECREASE) IN UNEARNED REVENUES | 0.00 |
| INCREASE/(DECREASE) IN OPEB LIABILITY | (32,754.00) |
| INCREASE/(DECREASE) IN NET PENSION LIABILITY | (411,871.00) |
| INCREASE/(DECREASE) IN OTHER LIABILITIES | 0.00 |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB | (70,784.00) |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS | 28,067.00 |
| INCREASE/(DECREASE) IN OTHER DEFERRED INFLOWS | 0.00 |

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES **\$(35,133.00)**

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**STATEMENT OF CASH FLOWS
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

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

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DEPOSITS WITH FINANCIAL INSTITUTIONS (BANK BALANCES)

| | Total Deposits (Bank Balance) | Uninsured and Uncollateralized (Bank Balance) | Uninsured and Collateralized with Securities Held by the Pledging Institution (Bank Balance) | Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Dept. or Agent but not in the Agency's Name (Bank Balance) |
|--|--|--|---|---|
| Cash | 1,676,518.00 | 0.00 | 0.00 | 0.00 |
| Non-Negotiable Certificates of Deposits | 2,130,637.00 | 0.00 | 0.00 | 0.00 |
| Money Market Demand Accounts* | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | \$3,807,155.00 | \$0.00 | \$0.00 | \$0.00 |

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

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

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INVESTMENTS

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

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

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

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

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CHANGES IN VALUATION TECHNIQUES

| Type of Investment | Current Year Valuation Technique | Prior Year Valuation Technique | Reason For Change |
|---------------------------|---|---------------------------------------|--------------------------|
|---------------------------|---|---------------------------------------|--------------------------|

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

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DUES AND TRANSFERS

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

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

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

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

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ASSET RETIREMENT OBLIGATION (ARO)

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

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

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

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

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

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SCHEDULE OF CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

| | Beginning Balance | Prior Period Adjustments | Restated Beginning Balance | Additions | Deletions | Ending Balance |
|--|------------------------------|-------------------------------------|---|------------------|------------------|-----------------------|
| Capital assets not depreciated: | | | | | | |
| Land | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Construction in progress | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Total capital assets not depreciated | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Other capital assets: | | | | | | |
| Buildings | 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 Buildings | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Machinery & equipment | 230,215.00 | 0.00 | \$230,215.00 | 22,425.00 | (17,359.00) | \$235,281.00 |
| Accumulated depreciation | (180,873.00) | 0.00 | \$(180,873.00) | (23,892.00) | 17,359.00 | \$(187,406.00) |
| Total Machinery & Equipment | \$49,342.00 | \$0.00 | \$49,342.00 | \$(1,467.00) | \$0.00 | \$47,875.00 |
| Infrastructure | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Accumulated depreciation | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Total Infrastructure | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Intangibles | 30,924.00 | 0.00 | \$30,924.00 | 0.00 | 0.00 | \$30,924.00 |
| Accumulated Amortization | (28,046.00) | 0.00 | \$(28,046.00) | (2,878.00) | 0.00 | \$(30,924.00) |
| Total Intangibles | \$2,878.00 | \$0.00 | \$2,878.00 | \$(2,878.00) | \$0.00 | \$0.00 |
| Total other capital assets, net | \$52,220.00 | \$0.00 | \$52,220.00 | \$(4,345.00) | \$0.00 | \$47,875.00 |
| Intangible right-to-use assets: | | | | | | |
| Leased land | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Accumulated Amortization | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Total Land | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Leased buildings/office space | 289,557.00 | 0.00 | \$289,557.00 | 539,283.00 | (289,557.00) | \$539,283.00 |
| Accumulated Amortization | (205,602.00) | 0.00 | \$(205,602.00) | (102,830.00) | 289,557.00 | \$(18,875.00) |
| Total Buildings/Office Space | \$83,955.00 | \$0.00 | \$83,955.00 | \$436,453.00 | \$0.00 | \$520,408.00 |
| Leased machinery & equipment | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Accumulated Amortization | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Total Machinery & Equipment | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| SBITAs | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Accumulated Amortization | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Total SBITAs | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| P3s (operator only) | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Accumulated Amortization | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 |
| Total P3s | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total intangible right-to-use assets | \$83,955.00 | \$0.00 | \$83,955.00 | \$436,453.00 | \$0.00 | \$520,408.00 |
| Total Capital and Right-to-Use Assets, net | \$136,175.00 | \$0.00 | \$136,175.00 | \$432,108.00 | \$0.00 | \$568,283.00 |

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners

PREPARED BY: Randy Martinez

PHONE NUMBER: 985-327-7311

EMAIL ADDRESS: randy@pinmarcpa.com

SUBMITTAL DATE: 09/04/2024 02:43 PM

Depreciation Total: \$(23,892.00)
Amortization Total: \$(105,708.00)

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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 | 328,125.00 | 794,491.00 | 0.00 |
| TRSL | 38,637.00 | 160,320.00 | 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 6/30/2023 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. | 40,512.00 |
|--|-----------|

| | |
|--|------------|
| Covered Employee Payroll for the PRIOR fiscal year (not including related benefits) | 898,927.00 |
|--|------------|

| | |
|---|------|
| 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 (7/1/2023 - 6/30/2024). This information will be provided to the actuary for the valuation report early next year. | 0.00 |
|---|------|

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2024 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]. **Yes**

1b. Is your agency using LeaseController provided by Deloitte/OSRAP for its long-term lease calculations and reporting? **Yes**

1c. Provide the following information on your agency's long-term lessee leases reported under GASB 87 that exceed the materiality threshold. For agency's using LeaseController, all leases identified as "material to ACFR" or "material to stand-alone only" should be included below. Do not include intra-entity leases, which are leases between your agency and another primary government agency.

| Lease Controller ID # (if applicable) | Asset type (e.g. Land, building, office space, equipment) | Brief description of asset (only needed if the leases are not in Lease Controller) | Lease asset value, net of accumulated amortization, at year-end | Total lease liability at year-end | Current fiscal year actual base lease payments (principal and interest) | Current fiscal year actual payments (expenses) that were not included in the initial measurement of the lease liability [e.g. variable payments, residual value guarantee payments, and termination penalties] | Brief description of current year payments (expenses) that were not included in the initial measurement of the lease liability (e.g., portion of building lease payments based on CPI) |
|---------------------------------------|---|--|---|-----------------------------------|---|--|--|
| 1284 | Buildings/Office Space | | 520,408.00 | 522,597.00 | 102,620.00 | 0.00 | |
| Total | | | \$520,408.00 | \$522,597.00 | \$102,620.00 | \$0.00 | |

2a. Do any of the long-term leases reported above contain a residual value guarantee that is not included in the measurement of the liability? **No**

2b. Provide the LeaseController ID# (if applicable), the amount, and a description of the terms and conditions of the residual value guarantees.

3a. Do any of the long-term leases reported above result from a sale-leaseback where your agency is the seller-lessee? **No**

3b. Provide the LeaseController ID# (if applicable), a description of the terms and conditions of the sale-leaseback, a description of the asset, and the sale amount.

4a. Do any of the long-term leases reported involve lease-leaseback transactions where your agency leases an asset from the lessor (first party) then leases the asset or a portion of the asset back to the lessor (first party)? **No**

4b. Provide the LeaseController ID (if applicable), a description of the terms and conditions of the lease-leaseback, a description of the asset, the original lease amount, and the amount of the lease back.

5a. Have any of the leased assets reported above been impaired during the current fiscal year? **No**

5b. Provide the LeaseController ID (if applicable) and a brief description of the impairment, the loss recognized on the leased asset during the period, and any change in the related lease liability as a result of the impairment.

6a. Has your agency entered into any long-term lease contracts prior to June 30 that are over \$100,000, but are excluded from above because the lease has not commenced as of year-end? **No**

6b. Provide a description of the lease contract and the total amount of commitments (total fixed, fixed in-substance, and probable payments).

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PREPARED BY: Randy Martinez

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EMAIL ADDRESS: randy@pinmarcpa.com

SUBMITTAL DATE: 09/04/2024 02:43 PM

LEASE LIABILITY

| Fiscal Year Ending: | Principal | Interest | Total |
|----------------------------|---------------------|--------------------|---------------------|
| 2025 | 94,648.00 | 10,228.00 | \$104,876.00 |
| 2026 | 106,264.00 | 8,082.00 | \$114,346.00 |
| 2027 | 109,036.00 | 5,796.00 | \$114,832.00 |
| 2028 | 114,242.00 | 3,423.00 | \$117,665.00 |
| 2029 | 98,407.00 | 958.00 | \$99,365.00 |
| 2030 - 2034 | 0.00 | 0.00 | \$0.00 |
| 2035 - 2039 | 0.00 | 0.00 | \$0.00 |
| 2040 - 2044 | 0.00 | 0.00 | \$0.00 |
| 2045 - 2049 | 0.00 | 0.00 | \$0.00 |
| 2050 - 2054 | 0.00 | 0.00 | \$0.00 |
| 2055 - 2059 | 0.00 | 0.00 | \$0.00 |
| 2060 - 2064 | 0.00 | 0.00 | \$0.00 |
| Remaining years | 0.00 | 0.00 | \$0.00 |
| Total | \$522,597.00 | \$28,487.00 | \$551,084.00 |

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LESSOR LEASE DISCLOSURES

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

1a. Does your agency have any long-term contracts that meet the criteria for lessor reporting under GASB 87 with a lease contract/component value exceeding the materiality threshold? [See OSRAP memo 22-14 for guidance on applying the \$100,000 materiality threshold].

No

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SBITA DISCLOSURES

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

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

No

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SUBMITTAL DATE: 09/04/2024 02:43 PM

SBITA LIABILITY

| Fiscal Year Ending: | Principal | Interest | Total |
|----------------------------|------------------|-----------------|---------------|
| 2025 | 0.00 | 0.00 | \$0.00 |
| 2026 | 0.00 | 0.00 | \$0.00 |
| 2027 | 0.00 | 0.00 | \$0.00 |
| 2028 | 0.00 | 0.00 | \$0.00 |
| 2029 | 0.00 | 0.00 | \$0.00 |
| 2030 - 2034 | 0.00 | 0.00 | \$0.00 |
| 2035 - 2039 | 0.00 | 0.00 | \$0.00 |
| 2040 - 2044 | 0.00 | 0.00 | \$0.00 |
| 2045 - 2049 | 0.00 | 0.00 | \$0.00 |
| 2050 - 2054 | 0.00 | 0.00 | \$0.00 |
| 2055 - 2059 | 0.00 | 0.00 | \$0.00 |
| 2060 - 2064 | 0.00 | 0.00 | \$0.00 |
| Remaining years | 0.00 | 0.00 | \$0.00 |
| Total | \$0.00 | \$0.00 | \$0.00 |

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P3 DISCLOSURES

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

1a. Does your agency have any arrangements that meet the criteria for P3 reporting under GASB 94 that exceed the materiality threshold? [See OSRAP Memo 23-08 for guidance on applying the \$3,000,000 materiality threshold].

No

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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 | 104,090.00 | 0.00 | \$104,090.00 | 0.00 | (18,547.00) | \$85,543.00 | 0.00 |
| Lease liability | 84,785.00 | 0.00 | \$84,785.00 | 539,283.00 | (101,471.00) | \$522,597.00 | 94,968.00 |
| SBITA liability | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| P3 liability | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Notes payable | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Notes payable - direct borrowings | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Contracts payable | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Pollution remediation obligation | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Claims and litigation | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Federal disallowed costs | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Other long-term liabilities | 0.00 | 0.00 | \$0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| Total other liabilities | \$188,875.00 | \$0.00 | \$188,875.00 | \$539,283.00 | \$(120,018.00) | \$608,140.00 | |
| Disclose any unused lines of credit | | 0.00 | | | | | |

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GASB 88: Certain Disclosures Related to Debt

List any assets pledged as collateral for debt:

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

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

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

| Fiscal Year Ending: | Principal | Interest | Direct Placements | | Total | |
|------------------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| | | | Principal | Interest | Principal | Interest |
| 2025 | 0.00 | 0.00 | 0.00 | 0.00 | \$0.00 | \$0.00 |
| 2026 | 0.00 | 0.00 | 0.00 | 0.00 | \$0.00 | \$0.00 |
| 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 |
| 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: 09/04/2024 02:43 PM

SCHEDULE OF NOTES PAYABLE AMORTIZATION

| Fiscal Year Ending: | | | Direct Borrowing | | Total | |
|---------------------|---------------|---------------|------------------|---------------|---------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | 0.00 | 0.00 | 0.00 | 0.00 | \$0.00 | \$0.00 |
| 2026 | 0.00 | 0.00 | 0.00 | 0.00 | \$0.00 | \$0.00 |
| 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 |
| Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners

PREPARED BY: Randy Martinez

PHONE NUMBER: 985-327-7311

EMAIL ADDRESS: randy@pinmarcpa.com

SUBMITTAL DATE: 09/04/2024 02:43 PM

CONTINGENCIES AND COMMITMENTS

| Description of Litigation | Date of Action | Amount |
|----------------------------------|-----------------------|---------------|
|----------------------------------|-----------------------|---------------|

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners

PREPARED BY: Randy Martinez

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SUBMITTAL DATE: 09/04/2024 02:43 PM

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).

**ANNUAL FISCAL REPORT (AFR)
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SUBMITTAL DATE: 09/04/2024 02:43 PM

FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

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

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

CHANGES IN ACCOUNTING PRINCIPLE

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

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

CHANGES IN REPORTING ENTITY

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

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

CHANGES THAT HAVE NO EFFECT ON BEGINNING NET POSITION

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

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

Description:

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 7-15-30 - Louisiana State Board of Practical Nurse Examiners

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SUBMITTAL DATE: 09/04/2024 02:43 PM

SUBMISSION

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

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

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

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



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

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

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

**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***

**Louisiana State Board of Practical Nurse Examiners
State of Louisiana
Metairie, Louisiana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners (the Board), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated September 3, 2024.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for their 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Griffin & Furman, LLC

September 3, 2024

Covington, Louisiana

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Schedule of Findings and Management's Corrective Action

June 30, 2024

Summary of Audit Results:

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

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH
STATE OF LOUISIANA**

Status of Prior Year Findings

June 30, 2024

Not applicable.