

**EISNERAMPER**

**LOUISIANA STATE LICENSING BOARD FOR  
CONTRACTORS**

**STATE OF LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**



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## **INDEPENDENT AUDITORS' REPORT**

To the Louisiana State Licensing Board for Contractors

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the business-type and fiduciary activities of the Louisiana State Licensing Board for Contractors (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 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 and fiduciary activities of the Board as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of a Matter***

##### Correction of errors

As discussed in Note (1) of the financial statements, the beginning net position of the business type activities has been restated to reflect corrections to the accounting for other post-employment benefits. In addition, a Fiduciary-Type Custodial Fund has been established as of January 1, 2024 as part of a correction of an error in accounting for certain donations. Our opinion is not modified with respect to these matters.

##### Change in Accounting Principle

As discussed in Note (1) to the financial statements, effective January 1, 2024, the Board adopted new accounting guidance Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with 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.

### ***Required Supplementary Information***

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



### ***Supplementary Information***

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Baton Rouge, Louisiana  
July 31, 2025



# **LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

The Management's Discussion and Analysis of the Louisiana State Licensing Board for Contractors (the "Board") financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended December 31, 2024. This document focuses on the current year's activities, resulting changes in net position, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the Board's financial statements, which follows this section.

### **FINANCIAL HIGHLIGHTS**

- The Board's total net position decreased by \$602,044 or 99% from the restated amount.
- The operating revenues of the Board increased \$272,163 or 4%.
- The operating expenses of the Board increased \$2,133,779 or 36%.
- The net non-operating revenues and expenses of the Board increased \$76,443 or 20%.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **BASIC FINANCIAL STATEMENTS**

The basic financial statements of the Board present information about the Board as a whole, in a format for Business-Type Activities designed to resemble that used in the private sector. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows and related notes to the financial statements.

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## Summary Statement of Net Position and Changes in Net Position

The Board's financial condition, with marginal net position, is rather favorable in the short-term as current assets of \$10,319,666 well exceed current liabilities of \$5,710,925. This indicates an ability to satisfy short-term obligations and conduct operations in the near-term. However, because of significant pension and other post-employment liabilities payable over the long-term and included in non-current liabilities of \$14,638,744, the overall net position is just slightly better than break-even.

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## LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

### MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

**Fiduciary funds.** Fiduciary (custodial) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the MD&A summary statement shown above because the resources of those funds are not available to support the Board's own operations. The Board collects voluntary donations from contractors during the license renewal process. These funds are dedicated to colleges and universities in Louisiana that meet certain requirements and accreditations. The disbursement of the total fees collected is done once a year. The fiduciary fund financial statements are reported on pages 11 and 12. See Note 10 for more details related to these fiduciary -type transactions.

### **CAPITAL ASSETS**

The Board's investment in capital assets as of December 31, 2024, amounts to \$9,983,891 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and operating facilities, office furniture and equipment, vehicles, and software. The Board's net investment in capital assets for the current year decreased by 2.5%. See Note 3 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Summary Schedule of Change in Capital Assets

	2024	2023	Change
Land and improvements	\$ 2,887,704	\$ 2,880,837	\$ 6,867
Buildings and operating facilities	7,819,091	7,593,243	225,848
Office, furniture and equipment	654,318	731,095	(76,777)
Automobiles	148,145	148,145	-
Construction in progress	-	181,938	(181,938)
	11,509,258	11,535,258	(26,000)
Less accumulated depreciation	(1,566,915)	(1,375,801)	(191,114)
	9,942,343	10,159,457	(217,114)
Right-of-use lease assets	92,650	92,650	-
Less accumulated amortization	(71,727)	(40,844)	(30,883)
	20,923	51,806	(30,883)
SBITA	245,072	187,219	57,853
Less accumulated amortization	(89,334)	(20,875)	(68,459)
	155,738	166,344	(10,606)
Total investment in capital assets, net	\$ 10,119,004	\$ 10,377,607	\$ (258,603)



# **LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024**

### **LONG-TERM OBLIGATIONS**

The Board has not financed purchases or activities through external borrowing or incurring debt and thus does not have any outstanding bonds or notes for this or the previous fiscal year. Other obligations include compensated absences (accrued vacation and compensatory leave) earned and accumulated by employees, a liability for Subscription Based Information Technology Assets (SBITA), the other postemployment benefit liability, and the net pension liability, which are described in the notes to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

The economic forecast is relatively consistent with prior years. This assumption was considered in the Louisiana Economic Forecast published by Loren C. Scott & Associates, Inc. in October 2024, which notes the state continues to recover from the COVID-19 shutdown and the past natural disasters. It is projected that Louisiana will add 28,300 jobs in 2025 (+1.4%). Historically, Louisiana's economy has proven resilient during national recessions, even growing during four of the eight recessions experienced since 1970.

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

We expect the total number of licenses to be issued in 2025 to be relatively consistent with 2024. Therefore, revenues are expected to be consistent. The costs of retirement and insurance will continue to be a significant portion of personnel-related expenses and increases in 2025 are anticipated. The Board has budgeted \$150,000 to implement a new Enterprise Resource Planning ("ERP") software to assist the Board with streamlining its accounting and financial management systems in 2025, and \$95,000 to purchase several vehicles in 2025.

Subsequent to year end, the Louisiana State Uniform Construction Code Council ("Council") was placed within the Board and will exercise its duties, functions, and responsibilities under the management of the Board's Executive Director. The Executive Director shall have the authority to use the Board's funds for the operations of the Council; therefore, this combination will have budget impacts. The Board is evaluating the impact of this change on its 2025 budget and financial reporting for its December 31, 2025 financial statements.

### **REQUESTS FOR INFORMATION**

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

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

**STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 9,564,935
Investments	577,094
Other current assets	177,637
Total current assets	<u>10,319,666</u>

Capital assets:

Property and equipment, net	9,942,343
Right-to-use lease assets, net	20,923
Intangible right-to-use software agreements, net	155,738
Total capital assets, net	<u>10,119,004</u>

Total assets	<u>20,438,670</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	833,401
Other postemployment benefits related	952,345
Total deferred outflows of resources	<u>1,785,746</u>

**LIABILITIES**

Current liabilities:

Accounts payable	426,180
Refunds payable	42,030
Due to Contractors' Educational Trust Fund	355,492
Unearned revenues	4,498,043
Current portion of long-term liabilities:	
Compensated absences payable	120,552
Lease liabilities	21,743
Software subscription liabilities	61,000
Total other post-employment benefits	185,885
Total current liabilities	<u>5,710,925</u>

Noncurrent liabilities:

Noncurrent compensated absences	309,585
Software subscription liabilities	52,370
Total other post-employment benefits	7,113,729
Net pension liability	7,163,060
Total noncurrent liabilities	<u>14,638,744</u>

Total liabilities	<u>20,349,669</u>
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**DEFERRED INFLOWS OF RESOURCES**

Pension related	885,725
OPEB related	985,877
Total deferred inflows of resources	<u>1,871,602</u>

**NET POSITION**

Net investment in capital assets	9,983,891
Unrestricted	(9,980,746)
Total net position	<u>\$ 3,145</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2024

**OPERATING REVENUES:**

Licenses and fees	\$ 7,753,292
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**OPERATING EXPENSES:**

Personal services	6,310,584
Travel - field personnel	174,184
Travel - other	56,604
Operating services	675,192
Supplies	94,047
Professional services	275,271
Depreciation expense	301,102
Amortization expense	107,157
Repairs and maintenance	61,957
Total operating expenses:	<u>8,056,098</u>

Operating (loss)	(302,806)
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**NON-OPERATING REVENUES AND (EXPENSES):**

Non-employer pension contributions	39,676
Investment income	29,069
Interest expense	(12,491)
Contributions to the Construction Education Trust Fund	<u>(355,492)</u>
Total non-operating revenues and (expenses):	<u>(299,238)</u>

Change in net position	<u>(602,044)</u>
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Net position, beginning of year, <i>as reported</i>	569,942
Net restatements (Note 1)	<u>35,247</u>
Net position, beginning of year, <i>as restated</i>	<u>605,189</u>
Net position, end of year	<u><u>\$ 3,145</u></u>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from licensees and applicants	\$ 8,127,481
Cash paid to employees for services	(5,343,971)
Cash paid to suppliers for goods and services	(1,449,626)
Net cash provided by operating activities	<u>1,333,884</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of investments	(29,069)
Interest received on investments	29,069
Net cash used in investing activities	<u>-</u>

**CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:**

Contributions to the Construction Education Trust Fund	(397,564)
Net cash used in non-capital and related financing activities	<u>(397,564)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Purchases of capital assets	(86,046)
Payments for right-to-use leased assets	(31,140)
Payments for SBITAs	(118,326)
Interest paid on leases and SBITAs	(12,491)
Net cash used in capital and related financing activities	<u>(248,003)</u>

Net increase in cash and cash equivalents 688,317

Cash and cash equivalents - January 1, 2024 as restated 8,876,618

Cash and cash equivalents - December 31, 2024 \$ 9,564,935

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

Operating loss \$ (302,806)

**Adjustments to reconcile operating income (loss) to net cash  
provided by (used in) operating activities:**

Depreciation	301,102
Right-to-use lease amortization	30,883
SBITA amortization	76,274
(Increase) decrease in assets:	
Other current assets	(68,206)
Deferred outflows	789,090
Increase (decrease) in liabilities:	
Compensated absences payable	(40,087)
Refunds payable	5,340
Accounts payable	(44,165)
Unearned revenue	368,849
OPEB liability	832,206
Net pension liability	(1,186,062)
Deferred inflows	<u>571,466</u>

Net cash provided by operating activities \$ 1,333,884

**Non cash investing, capital, and financing activities:**

Addition of subscription based IT programs	\$ 8,503
Non-employer pension contributions	\$ 39,676

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

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

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND  
DECEMBER 31, 2024

	Custodial Fund
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 1,578,400
<b>Total assets</b>	<b>1,578,400</b>
<b><u>LIABILITIES</u></b>	-
<b><u>NET POSITION</u></b>	
Restricted for colleges and universities	\$ 1,578,400

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Custodial Fund
<b>ADDITIONS</b>	
Voluntary construction education contributions	\$ 1,578,400
<b>DEDUCTIONS</b>	
Distributions to others:	
Colleges and universities	1,403,550
<b>Change in fiduciary net position</b>	174,850
Fiduciary net position, beginning of year, <i>as restated</i> (Note 1)	1,403,550
Fiduciary net position, end of year	\$ 1,578,400

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 1. Summary of Significant Accounting Policies

#### Organization and Nature of Operations

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

Furthermore, legislative intent is that the Board shall monitor construction projects to ensure compliance with the licensure requirements. The Board's operations are financed with self-generated revenues, such as license, examination, and other related fees. As of December 31, 2024, there were approximately 27,000 licensed contractors in the state. The Board has 52 full-time employees.

#### Reporting Entity

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

#### Basis of Statement Presentation

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

#### Fund Accounting

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

#### Basis of Accounting and Measurement Focus (continued)

##### Fund Accounting (continued)

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

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

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

##### **Revenues**

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

##### **Expenses**

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

##### **Non-operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. 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.

##### **Unearned Revenues**

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

#### Cash and Cash Equivalents

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



LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

Cash and cash equivalents are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2024, the Board has \$11,140,922 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$10,890,922 of pledged securities.

Investments

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

Capital Assets

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

The useful lives are as follows:

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

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

#### Leases

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

#### Subscription-Based IT Arrangements (SBITA)

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

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

#### Long-term Obligations

Long-term obligations at December 31, 2024, include compensated absences, software subscription liabilities, other postemployment benefit obligations, and net pension liabilities that will not be paid within the next fiscal year.

#### Pensions

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

#### Other Post-Employment Benefits

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

#### Employee Compensated Absences

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

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

#### Net Position

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

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

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

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

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

#### Use of Estimates

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

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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

#### Accounting Changes and Correction of Errors

The Board adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. Under this Statement, the accounting and financial reporting requirements for accounting changes and error corrections will provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Board also adopted GASB Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this standard results in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

With implementation of adoption of GASB Statement No. 101, *Compensated Absences*, the calculation and recognition of earned accrued leave includes an assessment of the leave that is more likely than not to be paid-out or utilized in the future as of the balance sheet date in accordance with the Board's policy. The estimated assessed amount is required to be recorded as a long-term liability, with an estimated amount payable within one year reported as short term.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, this retroactive change in accounting principle requires the beginning balance of net position to be restated to reflect the accrued leave as of the end of the prior year. As a result of the adoption of GASB Statement No. 101, *Compensated Absences*, a restatement of the beginning net position of \$(125,379) was required.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Accounting Changes and Correction of Errors (continued)

The Board has also identified an error in the reporting of the other postemployment benefit (OPEB) liability and associated deferred outflows, deferred inflows and OPEB expense for the year ended December 31, 2023 due to the use of an outdated actuarial valuation for the fiscal year. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, this error correction requires the beginning balance of net position to be restated to reflect the correction of the error caused by using the incorrect actuarial valuation. As a result of the error correction, a restatement of beginning net position of \$160,626 was required. The effects of the error to other financial statements components include an understatement of the total OPEB liability of \$1,331,479, an understatement of deferred outflows of \$840,948, an overstatement of deferred inflows of \$651,157, an overstatement of OPEB expense of \$160,626, and an understatement of change in net position of \$160,626.

The effects of the restatements to the December 31, 2023 net position are as follows:

Net position as of December 31, 2023, <i>as reported</i>	\$ 569,942
Change in accounting principle - implementation of GASB Statement No. 101, <i>Compensated Absences</i>	(125,379)
Error correction - OPEB liability	160,626
Net position as of December 31, 2023, <i>as restated</i>	<u>\$ 605,189</u>

During the fiscal year ended December 31, 2024, the Board also identified an error in the classification of certain custodial activities. In prior years, cash and related liabilities associated with the collection of voluntary donations from licensees to be provided to colleges and universities within the state were incorrectly reported within the enterprise fund. These activities should have been reported in a fiduciary-type custodial fund in accordance with the criteria established by GASB Statement No. 84, *Fiduciary Activities*. In addition, the voluntary donations should have been accounted for as a contribution (revenue) in the fiduciary-type custodial fund rather than a liability in the enterprise fund.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the Board has corrected this error by removing the related cash and liabilities of \$1,403,550 from the enterprise fund and establishing a new custodial fund within the fiduciary-type fund financial statements. This change has no effect on net position within the enterprise fund but increased the net position of the custodial fund by \$1,403,550.

The effect of this restatement on beginning net position and other accounts as of December 31, 2023, is as follows:

**Fiduciary-Type Fund – Custodial Fund**

Beginning Net Position, as previously reported	\$ 0
Reclassification of custodial cash from enterprise fund	<u>\$ 1,403,550</u>
<b>Beginning Net Position, as restated</b>	<b><u>\$ 1,403,550</u></b>

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

The change in net position of the custodial fund for the year ended December 31, 2023 would have been reported as a decrease in net position of \$54,850. Additionally, cash and cash equivalents and additions from contributions would have been reported at \$1,403,550. Expenses and beginning net position would have been reported as \$1,458,500.

**Proprietary Type Fund – Enterprise Fund**

Conversely, the impacts to the Enterprise Fund, had the error not occurred would have been a decrease to both cash and cash equivalents and accounts payable of \$1,403,500 as of December 31, 2023.

2. Cash and Cash Equivalents and Investments

**Cash and Cash Equivalents:**

At December 31, 2024, the Board has deposits totaling \$11,143,335 (book balances). All book balances are in demand deposit accounts.

**Investments:**

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955. The following table provides information on the credit ratings, maturity dates, and fair values associated with the Board’s investments at December 31, 2024. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

	<u>Rating</u>	<u>Maturity Dates</u>	
Louisiana Asset Management Pool, Inc.	AAAm	N/A	\$577,094

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 2. Cash and Cash Equivalents and Investments (continued)

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

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

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 3. Capital Assets

A summary of changes in property and equipment, right-to-use leased assets, and subscriptions for the year ended December 31, 2024, is as follows:

	Beginning of Year	Additions	Reductions	End of Year
<b>Capital Assets:</b>				
Land and improvements	\$ 2,880,837	\$ 6,867	\$ -	\$ 2,887,704
Buildings and improvements	7,593,243	225,848	-	7,819,091
Office, furniture and equipment	731,095	35,269	(112,046)	654,318
Vehicles	148,145	-	-	148,145
Construction in progress	181,938	-	(181,938)	-
	<u>11,535,258</u>	<u>267,984</u>	<u>(293,984)</u>	<u>11,509,258</u>
Less accumulated depreciation	<u>(1,375,801)</u>	<u>(301,102)</u>	<u>109,988</u>	<u>(1,566,915)</u>
Total land, buildings and equipment, net	<u>10,159,457</u>	<u>(33,118)</u>	<u>(183,996)</u>	<u>9,942,343</u>
<b>Right-To-Use Lease Assets</b>				
Office equipment	92,650	-	-	92,650
Less accumulated amortization	<u>(40,844)</u>	<u>(30,883)</u>	<u>-</u>	<u>(71,727)</u>
Total Right-To-Use Lease Assets, net	<u>51,806</u>	<u>(30,883)</u>	<u>-</u>	<u>20,923</u>
<b>Subscription-Based Information Technology Arrangement Assets (SBITA)</b>				
Subscriptions	187,219	71,249	(13,396)	245,072
Less accumulated amortization	<u>(20,875)</u>	<u>(76,274)</u>	<u>7,815</u>	<u>(89,334)</u>
Total Subscription-Based Information Technology Arrangement Assets, net	<u>166,344</u>	<u>(5,025)</u>	<u>(5,581)</u>	<u>155,738</u>
Total Capital Assets, net	<u>\$ 10,377,607</u>	<u>\$ (69,026)</u>	<u>\$ (189,577)</u>	<u>\$ 10,119,004</u>

Amortization of the right-to-use leased and SBITA assets is computed by the straight-line method over the estimated contract period. Amortization of the right-to-use leased and SBITA assets was \$30,833 and \$76,274, respectively for the year ended December 31, 2024, and reported within amortization expenses under operating expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

The Board has several contracts qualifying as SBITA's under GASB Statement No. 96 for legal research, cybersecurity, and other operational functions, for which and assets and liabilities are recorded as explained in the significant accounting policies. Discount rates of 4.00-8.5% are utilized to measure present value of the cash flow for determining the assets and liabilities.



## LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

#### 3. Capital Assets (continued)

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 61,000	\$ 6,841	\$ 67,841
2026	52,370	1,989	54,359
Total	<u>\$ 113,370</u>	<u>\$ 8,830</u>	<u>\$ 122,200</u>

The Board has leased equipment qualifying for accounting treatment under GASB Statement No. 87, *Leases*. The assets and liabilities recorded as explained in the significant accounting policies were measured using discount rates between 4.12% and 2.85%. The following schedule summarizes the future principal and interest requirements for the leased office equipment on December 31, 2024:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 21,743	\$ 313	\$ 22,056
Total	<u>\$ 21,743</u>	<u>\$ 313</u>	<u>\$ 22,056</u>

#### 4. Pension Plan

##### Plan Description

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

##### Benefits Provided

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

##### Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable services depending on their plan. 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

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

4. Pension Plan

may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The plan also features certain disability and survivor benefits upon experiencing a qualifying disability or death.

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan ("DROP"). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, the accumulated retirement benefits that would have been paid to each retiree are separately tracked.

*Contributions*

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

Rates for the year ending December 31, 2024 are as follows:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
<b>January 1 - June 30, 2024</b>			
Regular Employees hired before 7/1/2006	Closed	7.5%	41.3%
Regular Employees hired on or after 7/1/2006	Closed	8.0%	41.3%
Regular Employees hired after 1/1/2011	Closed	8.0%	41.3%
Regular Employees hired on or after 7/1/15	Open	8.0%	41.3%
<b>July 1 - December 31, 2024</b>			
Regular Employees hired before 7/1/2006	Closed	7.5%	34.74%
Regular Employees hired on or after 7/1/2006	Closed	8.0%	34.74%
Regular Employees hired after 1/1/2011	Closed	8.0%	34.74%
Regular Employees hired on or after 7/1/15	Open	8.0%	34.74%

The Board's contractually required composite contribution rates for the year ended December 31, 2024 are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Board were \$1,214,793 for the year ended December 31, 2024.

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

### 4. Pension Plan (continued)

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

At December 31, 2024, the Employer reported a liability of \$7,163,060 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 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, 2024, the Board's proportion was 0.1317%, which was an increase of 0.0064% from its proportion measured as of June 30, 2023. For the year ended December 31, 2024, the Board recognized pension expense of \$995,255.

At December 31, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (31,680)
Changes of assumptions	50,072	-
Net difference between projected and actual earnings on pension plan investments	-	(854,045)
Changes in proportion and differences between Board contributions and proportionate share of contributions	222,042	-
Board contributions subsequent to the measurement date	561,287	-
Total	<u>\$ 833,401</u>	<u>\$ (885,725)</u>

Amounts reported as deferred outflows of resources of \$561,287 resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are recognized in pension expense over an average estimated remaining service life of 2 years, except for amounts for investment differences which are amortized over 5 years, and future expense recognition is as follows:

Year ended December 31:	LASERS
2025	\$ (291,538)
2026	220,663
2027	(329,160)
2028	(213,576)
	<u>\$ (613,611)</u>

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

4. Pension Plan (continued)

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024, are as follows:

<b>Valuation Date</b>	June 30, 2024
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	2 years
<b>Investment Rate of Return</b>	7.25% per annum, net of investment expenses
<b>Inflation Rate</b>	2.40% per annum
<b>Mortality</b>	<b>Non-disabled members:</b> The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. <b>Disabled members</b> – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.
<b>Salary Increases</b>	Salary increases were projected based on 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are:

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

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

**LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**4. Pension Plan** (continued)

***Actuarial Assumptions*** (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.15% for 2024.

**Expected Long Term Real Rates of Return**

LASERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.76%
Domestic equity	34.00%	4.29%
International equity	17.00%	5.22%
Domestic fixed income	3.00%	2.04%
International fixed income	19.00%	5.24%
Alternative Investments	27.00%	8.19%
Total Fund	100.00%	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25% for June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

4. Pension Plan (continued)

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

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 7.25% for June 30, 2024 and 2023, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

**Changes in Discount Rate**

	1% Decrease	Current Discount Rate	1% Increase
Share of net pension liability	\$ 9,891,995	\$ 7,163,060	\$ 4,844,090

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2024 Annual Comprehensive Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

**Payables to the Pension Plan**

Included in accrued expense liabilities is \$88,507 payable to the System which was remitted subsequent to December 31, 2024.

5. Postemployment Health Care and Life Insurance Benefits

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

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

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Participants are eligible for plan benefits if they retire under one of the state retirement systems and are covered by the active medical plan immediately before retirement. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members employer, and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

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

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

Employees Covered by Benefit Terms. At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	37
Total	<u>72</u>

**Total OPEB Liability**

The Board’s total OPEB liability of \$7,299,614 was measured as of July 1, 2024, and was determined by an actuarial valuation as of that date.

The Board’s proportionate share percentage is based on the employer’s individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the state of Louisiana reporting entity. As of July 1, 2024, the most recent measurement date, the Board’s proportion was 0.0934%, or an increase of 0.0030% from the prior measurement date. Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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

Balance at December 31, 2023 (Restated)	<u>\$ 6,467,406</u>
Changes for the year:	
Service cost	128,447
Interest	275,367
Differences between expected and actual experience	72,835
Changes in assumptions	246,868
Changes in proportionate share of liability	215,138
Benefit payments and net transfers	<u>(106,447)</u>
Net changes	<u>832,208</u>
Balance at December 31, 2024	<u><u>\$ 7,299,614</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Board, as well as what the Board’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 8,484,696	\$ 7,299,614	\$ 6,343,337

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the Board, as well as what the Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.50%) or 1-percentage-point higher (9.50%) than the current healthcare trend rates:

	<u>1% Decrease</u>	<u>Current Cost Trend (8.50%)</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 6,314,273	\$ 7,299,614	\$ 8,536,808



# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

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

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

For the year ended December 31, 2024, the Board recognized OPEB expense of \$1,226,836. At December 31, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,102	\$ -
Changes of assumptions	542,970	(838,199)
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	167,329	(147,678)
Board contributions subsequent to the measurement date	116,944	-
Total	<u>\$ 952,345</u>	<u>\$ (985,877)</u>

The deferred outflow for amounts for contributions subsequent to the measurement date will be recognized as reduction of the total OPEB liability in the year ended December 31, 2025. The other deferred outflows and deferred inflows of resources related to OPEB are recognized in OPEB expense over the estimated remaining services life of 4.5 years with future recognition as follows:

Year Ending December 31,:	
2025	\$ 111,797
2026	301,389
2027	536,888
2028	(365,243)
2029	(735,307)
Thereafter	-
	<u>\$ (150,476)</u>

The contribution requirements of plan members and the Board are established and amended by R.S. 42:801-883. Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB Plan (before or after January 1, 2002) and employee years of service at retirement. Retirees who begin participation as an employee or rejoin before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and the retiree is based on the following schedule:

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

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

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

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay 50% of the monthly premium for individual retirees. The retiree is responsible for 100% of the premium for dependents.

### 6. Deferred Compensation Plan

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

### 7. Litigation and Claims

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

### 8. Unearned Revenue

Unearned revenue of \$4,498,043 as reflected on the Statement of Net Position represents payments received prior to the fiscal year-end from applicants for licensed periods beyond December 31, 2024. Such payments will be recognized as revenue through the remaining periods of each respective license.

### 9. Long Term Obligations

The following is a summary of long-term obligation transactions, which consist of compensated absences and OPEB obligations for the year ended December 31, 2024:

	Balance at December 31, 2023 <b>Restated</b>	Additions	Reductions	Balance at December 31, 2024	Amounts Due Within One Year
Subscription-Based Information					
Technology Arrangements	\$ 168,086	\$ 8,503	\$ (63,219)	\$ 113,370	\$ 61,000
Lease liability	52,883	-	(31,140)	21,743	21,743
Compensated absences payable	470,224	-	(40,087)	430,137	120,552
Net pension liability	8,388,798	-	(1,225,738)	7,163,060	-
OPEB payable	6,467,408	832,206	-	7,299,614	185,885
Total long-term liabilities	<u>\$ 15,547,399</u>	<u>\$ 840,709</u>	<u>\$ (1,360,184)</u>	<u>\$ 15,027,924</u>	<u>\$ 389,180</u>

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 10. Collection and Distribution of Funds for Educational Purposes

#### Contractor's Educational Trust Fund

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

R.S. 37:2164 requires the Board to remit any fines and penalties collected, less attorney fees, courts costs and processing costs to the CETF upon the completion of the financial audit. The fines revenue and a corresponding expense and liability to the Trust are recognized when the fines are collected. During 2024, the Board assessed fines of \$2,511,898, and collection of those fines plus previous year's fines were \$355,492. CETF is administered by a group of trustees and continues to fund educational programs related to the construction vocation.

The Attorney General of Louisiana, in Attorney General Opinion 01-0264, has concluded that once the fines are remitted to the CETF, all of the Board's title and interest in the fines are transferred to the CETF trustees and the Board's responsibility for the fines ceases. The fines and penalties and distributions thereof are recognized as revenue and non-operating expense in the business-type activities.

#### Voluntary Donations for Colleges and Universities

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

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

The Collection and distribution of the voluntary educational donations is accounted for through the custodial fiduciary fund. At December 31, 2024, cash and cash equivalents were \$1,578,400 had been collected and waiting to be disbursed to Louisiana colleges and universities.

### **11. Refunds Payable**

Refunds payable result from overpayments received in the application and renewal of licenses. The Board's policy is to refund these overpayments once the licensing or renewal processes are complete. Refunds payable on December 31, 2024 were \$42,030.

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

### **12. Current Accounting Standards Scheduled to be Implemented**

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

GASB Statement 102, *Certain Risk Disclosures*. This statement is intended to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Board will include the requirements of this statement, as applicable, in its December 31, 2025 financial statements.

GASB Statement 103, *Financial Reporting Model Improvements*. This statement is intended to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Key components mentioned in the statement are management's discussion and analysis; unusual or frequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; major component unit information; and budgetary comparison information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Board will include the requirements of this statement, as applicable, in its December 31, 2026 financial statements.

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

### **13. Subsequent Events**

Subsequent to year end, the Louisiana State Uniform Construction Code Council ("Council") was placed within the Board and will exercise its duties, functions, and responsibilities under the management of the Board's Executive Director. The Executive Director shall have the authority to use the Board's funds for the operations of the Council. The Board is evaluating the impact of this change on its financial reporting for its December 31, 2025 financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

\* - as restated

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

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2024 (\*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b>Louisiana State Employees' Retirement System</b>						
	2024	0.1317%	\$ 7,163,060	\$ 3,053,066	234.6186%	74.60%
	2023	0.1253%	8,388,798	2,731,379	307.1268%	68.40%
	2022	0.1236%	9,346,940	2,592,821	360.4931%	63.70%
	2021	0.1249%	6,877,053	2,497,467	275.3611%	72.80%
	2020	0.1182%	9,778,163	2,486,360	393.2722%	58.00%
	2019	0.1243%	9,008,687	2,429,465	370.8095%	62.90%
	2018	0.1214%	8,282,256	2,276,674	363.7875%	64.30%
	2017	0.1249%	8,790,091	2,390,523	367.7058%	62.50%
	2016	0.1249%	9,809,722	2,308,365	424.9641%	57.70%
	2015	0.1167%	7,940,354	2,234,493	355.3537%	62.70%

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



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

**SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution<sup>1</sup></u>	<u>Contributions in Relation to Contractually Required Contribution<sup>2</sup></u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<b>Louisiana State Employees' Retirement System</b>						
	2024	\$ 1,214,793	\$ 1,214,793	\$ -	\$ 3,198,018	37.9858%
	2023	1,202,454	1,202,454	-	2,941,455	40.8796%
	2022	1,063,997	1,063,997	-	2,662,738	39.9588%
	2021	1,012,698	1,012,698	-	2,544,693	39.7965%
	2020	997,030	997,030	-	2,485,774	40.1094%
	2019	970,952	970,952	-	2,470,215	39.3064%
	2018	891,348	891,348	-	2,351,843	37.9000%
	2017	926,947	926,947	-	2,279,028	40.6729%
	2016	843,849	843,849	-	2,314,939	36.4523%
	2015	841,465	841,465	-	2,342,660	35.9192%

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by covered payroll*

<sup>2</sup> *Actual employer contributions remitted to Retirement Systems*

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Changes of Benefit Terms:**

**Louisiana State Employees' Retirement System**

2015 - A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.

2015 - Improved benefits for certain members employed by the Office of Adult and Parole within the Department of Public Safety and Corrections per Act 852 of the 2014 Louisiana Regular Legislative Session.

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

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

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

2024 - No changes in benefits noted for the current year.

**Changes of Assumptions:**

**Louisiana State Employees Retirement System**

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

<b><i>Discount Rate:</i></b>				<b><i>Investment rate of return:</i></b>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2024	6/30/2024	7.250%	0.000%	12/31/2024	6/30/2024	7.250%	0.000%
12/31/2023	6/30/2023	7.250%	-0.150%	12/31/2023	6/30/2023	7.250%	-0.150%
12/31/2022	6/30/2022	7.400%	-0.150%	12/31/2022	6/30/2022	7.400%	-0.150%
12/31/2021	6/30/2021	7.550%	-0.050%	12/31/2021	6/30/2021	7.550%	-0.050%
12/31/2020	6/30/2020	7.600%	-0.050%	12/31/2020	6/30/2020	7.600%	-0.050%
12/31/2019	6/30/2019	7.650%	-0.050%	12/31/2019	6/30/2019	7.650%	-0.050%
12/31/2018	6/30/2018	7.700%	-0.050%	12/31/2018	6/30/2018	7.700%	-0.050%
12/31/2017	6/30/2017	7.750%	0.000%	12/31/2017	6/30/2017	7.750%	0.000%
12/31/2016	6/30/2016	7.750%	0.000%	12/31/2016	6/30/2016	7.750%	0.000%
12/31/2015	6/30/2015	7.750%		12/31/2015	6/30/2015	7.750%	

  

<b><i>Inflation Rate:</i></b>				<b><i>Salary Increases*:</i></b>		
Measurement				Measurement		
Year End	date	Rate	Change	Year End	date	Rates **
12/31/2024	6/30/2024	2.400%	0.100%	12/31/2024	6/30/2024	3.300% - 14.000%
12/31/2023	6/30/2023	2.300%	0.000%	12/31/2023	6/30/2023	3.000% - 13.800%
12/31/2022	6/30/2022	2.300%	0.000%	12/31/2022	6/30/2022	3.000% - 13.800%
12/31/2021	6/30/2021	2.300%	-0.200%	12/31/2021	6/30/2021	3.000% - 13.800%
12/31/2020	6/30/2020	2.500%	-0.250%	12/31/2020	6/30/2020	2.800% - 14.000%
12/31/2019	6/30/2019	2.750%	0.050%	12/31/2019	6/30/2019	2.800% - 14.300%
12/31/2018	6/30/2018	2.700%	-0.175%	12/31/2018	6/30/2018	2.800% - 14.300%
12/31/2017	6/30/2017	2.875%	0.000%	12/31/2017	6/30/2017	3.000% - 14.500%
12/31/2016	6/30/2016	2.875%	0.000%	12/31/2016	6/30/2016	3.000% - 14.500%
12/31/2015	6/30/2015	2.875%		12/31/2015	6/30/2015	3.000% - 14.500%

\* varies depending on duration of service

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

(continued)

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Changes of Assumptions:** (continued)

**Louisiana State Employees Retirement System** (continued)

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

**Mortality table:**

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

**Other Post-employment Benefit Plan**

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

**Changes of assumptions:**

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

<b><u>Discount Rate:</u></b>			
Measurement			
Year End	date	Rate	Change
12/31/2024	6/30/2024	3.930%	-0.200%
12/31/2023	6/30/2023	4.130%	0.040%
12/31/2022	6/30/2022	4.090%	1.910%
12/31/2021	6/30/2021	2.180%	-0.480%
12/31/2020	6/30/2020	2.660%	-0.130%
12/31/2019	6/30/2019	2.790%	-0.190%
12/31/2018	6/30/2018	2.980%	-0.150%
12/31/2017	6/30/2017	3.130%	

The discount rate decreased from 4.13% (based on the S&P Municipal Bond 20-Year High Grade Rate Index) as of June 30, 2023 to 3.93% (based on the Bond Buyer 20 Index) as of June 30, 2024 since the previous valuation, which increased the Plan's liability.

Baseline per capita costs ("PCCs") and medical plan election percentages were updated to reflect 2024 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan's liability.

LASERS adopted new assumptions in the June 30, 2024 valuation based on an updated experience study. As a result, the mortality, retirement, termination, disability, and salary increase rates for the LASERS groups were updated to be consistent with the pension valuation assumptions. The net impact of this change is a decrease in the Plan's liability.

The pre-Medicare baseline trend was updated to more accurately reflect recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment.

Pre-Medicare trend was revised to 8.50%, trending down 25 basis points per year to an ultimate rate of 4.50% by FYE 2035.

Post-Medicare trend was revised to 7.50%, trending down to an ultimate rate of 4.50% by FYE 2035.

Changes to the Medicare trend were made to reflect revised expectations regarding the impact of the Inflation Reduction Act (IRA) on Medicare prescription drug costs. This change caused an increase in the Plan's liability.

(concluded)

## **OTHER SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Commercial Board Members:</u>	<u>Days</u>	<u>Amount</u>
Barron, Ronald S.	3	\$ 225
Bordelon, Brian	5	375
Broussard, Jr., Noah R.	6	450
Brown, Kristen E.	4	300
Clouatre, William J.	8	600
Davis, Courtney T.	4	300
DiGiovanni, Kymberly	7	525
Dupuy, Jr., Nelson A.	7	525
Fenet, Courtney A. Jr.	8	600
Gallo, Jr. August R.	7	525
Guinn, Adam G.	2	150
Hackworth, Steven	3	225
Joseph, Jr., Curtis R.	6	450
Lambert, Donald	7	525
Mallett, Chester L.	7	525
Meredith, Garland	6	450
Rushing, Joel D.	7	525
Stuart, Christopher N.	3	225
Temple, Elliott L.	5	375
Tillage, Keith A.	6	450
	<u>111</u>	<u>8,325</u>
<u>Residential Subcommittee Members:</u>		
Adams, Doreen "Dodie"	5	\$ 375
Fine, James C.	5	375
Golson, Brandon	1	75
Joseph, Jr., Curtis R.	5	375
Manceaux, Travis J.	4	300
Morse, Jr., Frank W.	5	375
Stevens, Craig A.	2	150
Temple, Elliott L.	2	150
	<u>29</u>	<u>2,175</u>
	<b>Total</b>	<b><u>\$ 10,500</u></b>

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

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

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Agency Head/Title:** Michael B. McDuff, *Executive Director (January - June 30, 2024)*

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 109,939
Benefits - insurance	10,470
Benefits - retirement	45,088
Benefits - other (annual leave paid)	29,448
Deferred compensation	15,250
Phone allowance	488
Travel	162
Reimbursements	138
	<u>\$ 210,983</u>

**Agency Head/Title:** Bradley Hassert, *Executive Director (July - December 31, 2024) \**

<u>Purpose</u>	<u>Amount</u>
Salary	* \$ 153,858
Benefits - insurance	8,157
Benefits - retirement	58,384
Deferred compensation	6,435
Phone allowance	900
Professional dues	475
Professional Education Travel:	
Airfare and other transportation	2,407
Hotel lodging	1,392
Registration fees	800
Reimbursements - meals	303
	<u>\$ 233,111</u>

\* Includes compensation for the entire year, including that for prior position.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type and fiduciary activities of the Louisiana State Licensing Board for Contractors (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the basic financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated July 31, 2025.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 be a material weakness.

*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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.



## **Report on Compliance and Other Matters**

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

## **Louisiana State Licensing Board for Contractor's Response to Findings**

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

## **Purpose of this Report**

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

EISNERAMPER LLP  
Baton Rouge, Louisiana  
July 31, 2025



**LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION I- SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditors' report

Unmodified

Internal control over financial reporting:

- Material weakness identified?   X   Yes        No
- Significant deficiency identified not considered to be a material weakness?   X   Yes        None reported

Noncompliance material to financial statements noted?

       Yes   X   No

**SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

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

**Condition(s):**

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

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

**Criteria:**

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

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

**Cause:**

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

**Effect:**

The absence of proper segregation of duties, and controls to prevent errors, increases the risk of:

- Unauthorized transactions
- Misstatements in financial reporting
- Undetected errors or fraud

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2024

### SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS (continued)

#### 2024-001 Inadequate Separation of Accounting Duties and Functionality of the Accounting Process (continued)

**Recommendation:**

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

Views of Responsible Officials:

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

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

**Condition:**

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

**Criteria:**

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

**Cause:**

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

**Effect:**

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

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

# LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2024

### SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS (continued)

#### 2024-002 Lack of Formal Approval for Executive Compensation Adjustment (continued)

**Recommendation:**

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

*Views of Responsible Officials:*

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

**LOUISIANA STATE LICENSING BOARD FOR CONTRACTORS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

No findings were reported in the prior audit.

**EISNERAMPER**

**LOUISIANA STATE LICENSING BOARD FOR  
CONTRACTORS**

**SUPPLEMENTARY INFORMATION**

**YEAR-END REPORTING PACKET**

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

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the basic financial statements of the business-type and fiduciary activities of the Louisiana State Licensing Board for Contractors (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2024, and our report thereon dated July 31, 2025, expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the Board's basic financial statements as a whole.

The accompanying Annual Financial Report (AFR) Packet is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Policy (OSRAP). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



EISNERAMPER LLP  
Baton Rouge, Louisiana  
August 11, 2025

ANNUAL FISCAL REPORT (AFR)  
FOR 2025

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

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	9,564,935.00
INVESTMENTS:	
OTHER INVESTMENTS	577,094.00
RESTRICTED INVESTMENTS - CURRENT	0.00
RECEIVABLES (NET):	
RECEIVABLES - EMPLOYER CONTRIBUTION	
RECEIVABLES - EMPLOYER CONTRIBUTION (GROSS)	0.00
RECEIVABLES - EMPLOYER CONTRIBUTION (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
RECEIVABLES - TUITION AND FEES	
RECEIVABLES - TUITION AND FEES (GROSS)	0.00
RECEIVABLES - TUITION AND FEES (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
RECEIVABLES - OTHER	
RECEIVABLES - OTHER (GROSS)	0.00
RECEIVABLES - OTHER (ALLOWANCE FOR UNCOLLECTIBLES)	0.00
PLEDGES RECEIVABLE (NET) - CURRENT	0.00
LEASES RECEIVABLE - CURRENT	0.00
P3 RECEIVABLE (NET) - CURRENT (Only relates to Transferor)	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE FROM OTHER FUNDS	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE - CURRENT	0.00
OTHER CURRENT ASSETS	177,637.00
TOTAL CURRENT ASSETS	\$10,319,666.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:	
RESTRICTED CASH - NONCURRENT	0.00
RESTRICTED INVESTMENTS - NONCURRENT	0.00
RESTRICTED RECEIVABLES	0.00
RESTRICTED NOTES RECEIVABLE	0.00
OTHER RESTRICTED ASSETS	0.00
INVESTMENTS - NONCURRENT	0.00
RECEIVABLES (NET) - NONCURRENT:	
NON-CURRENT RECEIVABLES - EMPLOYER CONTRIBUTIONS	0.00
NON-CURRENT RECEIVABLES - TUITION AND FEES	0.00
NON-CURRENT RECEIVABLES - OTHER	0.00
NOTES RECEIVABLE - NONCURRENT	0.00
PLEDGES RECEIVABLE - NONCURRENT	0.00
LEASES RECEIVABLE - NONCURRENT	0.00
P3 RECEIVABLE (NET) - NONCURRENT (Only relates to Transferor)	0.00
CAPITAL ASSETS:	
LAND	2,887,704.00
BUILDING & IMPROVEMENTS	
BUILDINGS AND IMPROVEMENTS (GROSS)	7,819,091.00
BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION)	(1,074,633.00)
MACHINERY & EQUIPMENT	
MACHINERY AND EQUIPMENT (GROSS)	802,463.00



ANNUAL FISCAL REPORT (AFR)  
FOR 2025

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

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION)	(492,282.00)
INFRASTRUCTURE	
INFRASTRUCTURE (GROSS)	0.00
INFRASTRUCTURE (ACCUMULATED DEPRECIATION)	0.00
INTANGIBLE ASSETS	
INTANGIBLE ASSETS (GROSS)	0.00
INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)	0.00
CONSTRUCTION IN PROGRESS	0.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	
LEASED LAND (GROSS)	0.00
LEASED LAND (ACCUMULATED AMORTIZATION)	0.00
LEASED BUILDING & OFFICE SPACE	
LEASED BUILDING & OFFICE SPACE (GROSS)	0.00
LEASED BUILDING & OFFICE SPACE (ACCUMULATED AMORTIZATION)	0.00
LEASED MACHINERY & EQUIPMENT	
LEASED MACHINERY & EQUIPMENT (GROSS)	92,650.00
LEASED MACHINERY & EQUIPMENT (ACCUMULATED AMORTIZATION)	(71,727.00)
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA)	
SBITA (GROSS)	245,072.00
SBITA (ACCUMULATED AMORTIZATION)	(89,334.00)
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENT (P3)	
P3 (GROSS) (Only relates to Operator)	0.00
P3 (ACCUMULATED AMORTIZATION) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$10,119,004.00
TOTAL ASSETS	\$20,438,670.00

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 ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	952,345.00
PENSION-RELATED	833,401.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$1,785,746.00

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	
SALARIES, WAGES & RELATED BENEFITS	350,090.00
TRAVEL & TRAINING	0.00
OPERATING SERVICES	76,090.00
PROFESSIONAL SERVICES	0.00
SUPPLIES	0.00
GRANTS & PUBLIC ASSISTANCE	0.00
OTHER CHARGES	0.00
CAPITAL OUTLAY	0.00

ANNUAL FISCAL REPORT (AFR)  
FOR 2025

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

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
DUE TO OTHER FUNDS	0.00
DUE TO FEDERAL GOVERNMENT	0.00
UNEARNED REVENUES	4,498,043.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
OTHER CURRENT LIABILITIES	397,522.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	120,552.00
LEASE LIABILITY	21,743.00
SBITA LIABILITY	61,000.00
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	185,885.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$5,710,925.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	309,585.00
LEASE LIABILITY	0.00
SBITA LIABILITY	52,370.00
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	7,113,729.00
NET PENSION LIABILITY	7,163,060.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL NONCURRENT LIABILITIES	\$14,638,744.00
TOTAL LIABILITIES	\$20,349,669.00

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	985,877.00
PENSION-RELATED	885,725.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$1,871,602.00

NET POSITION:

ANNUAL FISCAL REPORT (AFR)  
FOR 2025

AGENCY: 7-15-63 - Louisiana State Licensing Board for Contractors  
PREPARED BY: --  
PHONE NUMBER: --  
EMAIL ADDRESS: --  
SUBMITTAL DATE: --

NET INVESTMENT IN CAPITAL ASSETS	9,983,891.00
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	\$(9,980,746.00)
TOTAL NET POSITION	\$3,145.00

ANNUAL FISCAL REPORT (AFR)  
FOR 2025

AGENCY: 7-15-63 - Louisiana State Licensing Board for Contractors  
PREPARED BY: --  
PHONE NUMBER: --  
EMAIL ADDRESS: --  
SUBMITTAL DATE: --

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

<b>OPERATING REVENUES:</b>	
SALES OF COMMODITIES & SERVICES	0.00
ASSESSMENTS	0.00
USE OF MONEY & PROPERTY	0.00
LICENSES, PERMITS & FEES	7,753,292.00
FEDERAL GRANTS & CONTRACTS	0.00
OTHER	0.00
<b>TOTAL OPERATING REVENUES</b>	<b>\$7,753,292.00</b>
<b>OPERATING EXPENSES:</b>	
COST OF SALES & SERVICES	7,372,568.00
ADMINISTRATIVE	275,271.00
DEPRECIATION	301,102.00
AMORTIZATION	107,157.00
UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund)	0.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$8,056,098.00</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$(302,806.00)</b>
<b>NONOPERATING REVENUES(EXPENSES)</b>	
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	(12,491.00)
OTHER NON-OPERATING REVENUES	68,745.00
OTHER NON-OPERATING EXPENSES	(355,492.00)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$(299,238.00)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>\$(602,044.00)</b>
CAPITAL CONTRIBUTIONS	0.00
TRANSFERS IN	0.00
TRANSFERS OUT	0.00
<b>CHANGE IN NET POSITION</b>	<b>\$(602,044.00)</b>
<b>NET POSITION - BEGINNING</b>	<b>\$569,942.00</b>
NET POSITION - RESTATEMENT	
NET POSITION - RESTATEMENT - ERROR CORRECTION	160,626.00
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	(125,379.00)

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NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	\$3,145.00

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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	
RECEIPTS FROM CUSTOMERS	8,127,481.00
RECEIPTS FROM INTERFUND SERVICES PROVIDED	0.00
RECEIPTS FROM INTERFUND REIMBURSEMENTS	0.00
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	0.00
OTHER OPERATING RECEIPTS	0.00
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(1,449,626.00)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	0.00
PAYMENTS TO EMPLOYEES FOR SERVICES	(5,343,971.00)
PAYMENTS FOR INTERFUND SERVICES USED	0.00
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	0.00
OTHER OPERATING PAYMENTS	0.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$1,333,884.00
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	0.00
RECEIPTS FROM OPERATING GRANTS	0.00
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	0.00
RECEIPTS FROM OTHER FUNDS	0.00
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	0.00
PAYMENTS FOR GRANTS AND SUBSIDIES	(397,564.00)
PAYMENTS TO OTHER FUNDS	0.00
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$(397,564.00)
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	(86,046.00)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	0.00
PAYMENTS FOR INTEREST ON CAPITAL DEBT	0.00
PAYMENTS FOR INTANGIBLE RIGHT TO USE ASSETS	(161,957.00)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$(248,003.00)
CASH FLOWS FROM INVESTING ACTIVITIES:	
PURCHASES OF INVESTMENTS	(29,069.00)
PROCEEDS FROM THE SALE OF INVESTMENTS	0.00
INTEREST AND DIVIDENDS	29,069.00
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$0.00

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NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	\$688,317.00
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	10,280,168.00
RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS	(1,403,550.00)
CASH & CASH EQUIVALENTS AT END OF YEAR	\$9,564,935.00

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

OPERATING INCOME (LOSS)	\$(302,806.00)
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ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED)  
BY OPERATING ACTIVITIES:

DEPRECIATION/AMORTIZATION	408,259.00
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	0.00
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	0.00
OTHER	0.00
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	0.00
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	0.00
(INCREASE)/DECREASE IN PREPAYMENTS	0.00
(INCREASE)/DECREASE IN INVENTORIES	0.00
(INCREASE)/DECREASE IN OTHER ASSETS	(68,206.00)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	80,006.00
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	709,084.00
(INCREASE)/DECREASE IN OTHER DEFERRED OUTFLOWS	0.00
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	(44,165.00)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	(40,087.00)
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	0.00
INCREASE/(DECREASE) IN UNEARNED REVENUES	368,849.00
INCREASE/(DECREASE) IN OPEB LIABILITY	832,206.00
INCREASE/(DECREASE) IN NET PENSION LIABILITY	(1,186,062.00)
INCREASE/(DECREASE) IN OTHER LIABILITIES	5,340.00
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	(314,259.00)
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	885,725.00
INCREASE/(DECREASE) IN OTHER DEFERRED INFLOWS	0.00

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$1,333,884.00
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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	8,503.00
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):	
NON-EMPLOYER PENSION CONTRIBUTIONS	39,676.00



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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	9,562,522.00	0.00	9,562,522.00	0.00
Non-Negotiable Certificates of Deposits	0.00	0.00	0.00	0.00
Money Market Demand Accounts*	0.00	0.00	0.00	0.00
Total	\$9,562,522.00	\$0.00	\$9,562,522.00	\$0.00

Do NOT include any cash or CD's on deposit with the State Treasurer  
\*DOES NOT Include Money Market Mutual Funds

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INVESTMENTS

Type of Investment	Value	Fair Market Value Hierarchy	Valuation Techniques	Custodial Credit Risk	Credit Risk	Interest Rate Risk
External Investment Pools	\$577,094.00	Level 1 - Quoted Prices in			AAA	Less Than 1
Exclusively Invested in Fixed Income Securities		Active Markets for Identical Assets				year
Totals	\$577,094.00					

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

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

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

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CHANGES IN VALUATION TECHNIQUES

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

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DUES AND TRANSFERS

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

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

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

Account Type Transfers 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
<b>Capital assets not depreciated:</b>						
Land	2,880,837.00	0.00	\$2,880,837.00	6,867.00	0.00	\$2,887,704.00
Construction in progress	181,940.00	(2.00)	\$181,938.00	0.00	(181,938.00)	\$0.00
Total capital assets not depreciated	\$3,062,777.00	\$(2.00)	\$3,062,775.00	\$6,867.00	\$(181,938.00)	\$2,887,704.00
<b>Other capital assets:</b>						
Buildings	7,593,243.00	0.00	\$7,593,243.00	225,848.00	0.00	\$7,819,091.00
Accumulated depreciation	(870,059.00)	0.00	\$(870,059.00)	(204,574.00)	0.00	\$(1,074,633.00)
Total Buildings	\$6,723,184.00	\$0.00	\$6,723,184.00	\$21,274.00	\$0.00	\$6,744,458.00
Machinery & equipment	879,240.00	0.00	\$879,240.00	35,269.00	(112,046.00)	\$802,463.00
Accumulated depreciation	(505,742.00)	0.00	\$(505,742.00)	(96,528.00)	109,988.00	\$(492,282.00)
Total Machinery & Equipment	\$373,498.00	\$0.00	\$373,498.00	\$(61,259.00)	\$(2,058.00)	\$310,181.00
Infrastructure	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated depreciation	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intangibles	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Intangibles	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total other capital assets, net	\$7,096,682.00	\$0.00	\$7,096,682.00	\$(39,985.00)	\$(2,058.00)	\$7,054,639.00
<b>Intangible right-to-use assets:</b>						
Leased land	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leased buildings/office space	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Accumulated Amortization	0.00	0.00	\$0.00	0.00	0.00	\$0.00
Total Buildings/Office Space	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leased machinery & equipment	92,650.00	0.00	\$92,650.00	0.00	0.00	\$92,650.00
Accumulated Amortization	(40,844.00)	0.00	\$(40,844.00)	(30,883.00)	0.00	\$(71,727.00)
Total Machinery & Equipment	\$51,806.00	\$0.00	\$51,806.00	\$(30,883.00)	\$0.00	\$20,923.00
SBITAs	187,219.00	0.00	\$187,219.00	71,249.00	(13,396.00)	\$245,072.00
Accumulated Amortization	(20,875.00)	0.00	\$(20,875.00)	(76,274.00)	7,815.00	\$(89,334.00)
Total SBITAs	\$166,344.00	\$0.00	\$166,344.00	\$(5,025.00)	\$(5,581.00)	\$155,738.00
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	\$218,150.00	\$0.00	\$218,150.00	\$(35,908.00)	\$(5,581.00)	\$176,661.00
Total Capital and Right-to-Use Assets, net	\$10,377,609.00	\$(2.00)	\$10,377,607.00	\$(69,026.00)	\$(189,577.00)	\$10,119,004.00

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Depreciation Total:	<b>\$(301,102.00)</b>
Amortization Total:	<b>\$(107,157.00)</b>

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IMPAIRMENT OF CAPITAL ASSETS

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

A. Movable Property and Equipment

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

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

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

Type of Asset	LPAA Property Tag No. /Building ID	Carrying Value
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PENSIONS

System:	Employer Contributions to the Pension Plan between the Measurement Date and the Employer's Fiscal Year-end	Covered Payroll during the Entity's Current Fiscal Year	Calendar Year Entities Only! *Employer Contributions to the Pension Plan between January and June of the next reporting calendar year
LASERS	561,287.00	3,198,018.00	573,150.00
TRSL	0.00	0.00	0.00
LSERS	0.00	0.00	0.00
DARS	0.00	0.00	0.00
LCCRRF	0.00	0.00	0.00
ROVERS	0.00	0.00	0.00

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

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

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

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2024 measurement date for their OPEB valuation.)

Benefit payments made subsequent to the measurement date of the <b>OGB</b> 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.	116,944.00
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Covered Employee Payroll for the <b>PRIOR</b> fiscal year (not including related benefits)	2,991,455.00
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<b>For calendar year-end agencies only:</b> Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2024 - 6/30/2025). This information will be provided to the actuary for the valuation report early next year.	239,983.00
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For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2025 for their OPEB valuation report.)

Covered Employee Payroll for the <b>CURRENT</b> fiscal year (not including related benefits)	0.00
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**LESSEE LEASE DISCLOSURES**

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

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

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LEASE LIABILITY			
Fiscal Year Ending:	Principal	Interest	Total
2026	21,743.00	313.00	\$22,056.00
2027	0.00	0.00	\$0.00
2028	0.00	0.00	\$0.00
2029	0.00	0.00	\$0.00
2030	0.00	0.00	\$0.00
2031 - 2035	0.00	0.00	\$0.00
2036 - 2040	0.00	0.00	\$0.00
2041 - 2045	0.00	0.00	\$0.00
2046 - 2050	0.00	0.00	\$0.00
2051 - 2055	0.00	0.00	\$0.00
2056 - 2060	0.00	0.00	\$0.00
2061 - 2065	0.00	0.00	\$0.00
Remaining years	0.00	0.00	\$0.00
Total	\$21,743.00	\$313.00	\$22,056.00

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**LESSOR LEASE DISCLOSURES**

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

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

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SBITA DISCLOSURES

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

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

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

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

Lease Controller ID # (if applicable)	Brief description of SBITA asset (only needed if the SBITAs are not in Lease Controller)	SBITA asset value, net of accumulated amortization, at year-end	Total SBITA liability at year-end	Current fiscal year actual base SBITA payments (principal and interest)	Current fiscal year actual payments (expenses) that were not included in the initial measurement of the SBITA liability [e.g. variable payments and termination penalties]	Brief description of current year payments (expenses) that were not included in the initial measurement of the SBITA liability (e.g., portion of SBITA payments based on CPI)
0	Thomson Reuters - West	96,282.00	103,849.00	57,427.00	0.00	
Total		\$96,282.00	\$103,849.00	\$57,427.00	\$0.00	

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

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

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

3b. Provide a description of the SBITA contract and the total amount of commitments (total fixed, fixed in-substance, and probable payments).  
**Subsequent to year end a purchase order for a SBITA for new licensing software was approved for \$971,396.00 (\$763,484.00 implementation costs, \$17,647.00 training and \$190,265.00 annual license fees). It is anticipated that work on this project will begin in August of 2025.**

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SBITA LIABILITY			
Fiscal Year Ending:	Principal	Interest	Total
2026	61,000.00	6,841.00	\$67,841.00
2027	52,370.00	1,989.00	\$54,359.00
2028	0.00	0.00	\$0.00
2029	0.00	0.00	\$0.00
2030	0.00	0.00	\$0.00
2031 - 2035	0.00	0.00	\$0.00
2036 - 2040	0.00	0.00	\$0.00
2041 - 2045	0.00	0.00	\$0.00
2046 - 2050	0.00	0.00	\$0.00
2051 - 2055	0.00	0.00	\$0.00
2056 - 2060	0.00	0.00	\$0.00
2061 - 2065	0.00	0.00	\$0.00
Remaining years	0.00	0.00	\$0.00
Total	\$113,370.00	\$8,830.00	\$122,200.00

**ANNUAL FISCAL REPORT (AFR)  
FOR 2025**

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

**PREPARED BY:** --

**PHONE NUMBER:** --

**EMAIL ADDRESS:** --

**SUBMITTAL DATE:** --

**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].	<b>No</b>
--	-----------



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COMPENSATED ABSENCES

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

Fiscal Year 2025 liability calculation:

Total annual and sick leave value at 6/30/2025 for all employees: <i>(Multiply each employees' full annual and sick leave balance at 6/30/2025 by their base hourly pay rate at 6/30/2025 and add additional salary related payments paid by the employer for medicare, social security, or defined contribution plans, as applicable. Do not include employer contributions for defined benefit plans. Also, do not cap the annual leave at 300 hours when calculating the value.</i>	2,910,865.00
Percentage of leave projected to be settled through future time off or cash payments: <i>The statewide percentage calculated by OSRAP using LaGov data is 65%. This percentage should be entered here unless entity has calculated its own projection as explained in OSRAP Memo 25-10.</i>	14.50%
Estimated liability at 6/30/2025 for sick and annual leave	422,075.43
Additional liabilities for K-time balances and other compensated absences, if applicable and material	8,060.58
<b>Total estimated liability at 6/30/2025</b>	<b>430,136.01</b>
Current portion estimate : <i>This is the estimate of leave that will be settled in fiscal year 2026 (i.e. current portion of liability at 6/30/2025) and can be estimated at the value (in dollars) of sick and annual leave settled through time off and cash payment during the current fiscal year.</i>	120,552.00
Non-current portion estimate:	309,584.01

Restatement of Prior Year Liability due to Change in Accounting Principle:

Total annual and sick leave value at 6/30/2024 for all employees: <i>(Multiply each employees' full annual and sick leave balance at 6/30/2024 by their base hourly pay rate at 6/30/2024 and add additional salary related payments paid by the employer for medicare, social security, or defined contribution plans, as applicable. Do not include employer contributions for defined benefit plans. Also, do not cap the annual leave at 300 hours when calculating the value.</i>	3,232,100.00
Percentage of leave projected to be settled through future time off or cash payments: <i>The statewide percentage calculated by OSRAP using LaGov data is 65%. This percentage should be entered here unless entity has calculated its own projection as explained in OSRAP Memo 25-10.</i>	14.50%
Estimated liability at 6/30/2024 for sick and annual leave	468,654.50
Additional liabilities for K-time balances and other compensated absences, if applicable and material	1,569.50
<b>Total estimated liability at 6/30/2024, restated</b>	<b>470,224.00</b>
Total reported liability in prior year AFR (current plus noncurrent portion):	344,845.00
Restatement for change in accounting principle:	125,379.00

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LONG-TERM DEBT							
	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<b>Bonds Payable:</b>							
<b>Bond Series:</b>							
	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
<b>Bonds Payable - Direct Placements:</b>							
<b>Bond Series:</b>							
	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
<b>Other Liabilities:</b>							
Compensated absences payable	344,846.00	125,378.00	\$470,224.00	0.00	(40,087.00)	\$430,137.00	120,552.00
Lease liability	52,883.00	0.00	\$52,883.00	0.00	(31,140.00)	\$21,743.00	21,743.00
SBITA liability	168,086.00	0.00	\$168,086.00	8,503.00	(63,219.00)	\$113,370.00	61,000.00
P3 liability	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Notes payable	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Notes payable - direct borrowings	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Contracts payable	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Pollution remediation obligation	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Claims and litigation	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Federal disallowed costs	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Other long-term liabilities	0.00	0.00	\$0.00	0.00	0.00	\$0.00	0.00
Total other liabilities	\$565,815.00	\$125,378.00	\$691,193.00	\$8,503.00	\$(134,446.00)	\$565,250.00	
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
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
2060	0.00	0.00	0.00	0.00	\$0.00	\$0.00
Premiums and Discounts	\$0.00		\$0.00		\$0.00	
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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SCHEDULE OF NOTES PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest	Direct Borrowing		Total	
			Principal	Interest	Principal	Interest
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
2060	0.00	0.00	0.00	0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CONTINGENCIES AND COMMITMENTS

Description of Litigation	Date of Action	Amount
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CERTAIN RISK DISCLOSURES (GASB 102)

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

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

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

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

List each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred, has begun to occur, or is more likely than not to begin to occur prior to December 31, 2026.

Disclose the actions taken by the entity to mitigate the risk.

List the concentration or constraint:

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CHANGE IN ACCOUNTING ESTIMATE

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

ERROR CORRECTIONS

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

Account Name/Description	Beginning Net Position Restatement Amount
SNP NONCURRENT LIABILITIES - NET OPEB OBLIGATION	
SRECNP OPERATING EXPENSES - COST OF SALES & SERVICES Description: Error correction resolving from the use of an outdated actuarial valuation in 2023	(1,331,479.00)
SNP DEFERRED OUTFLOWS OF RESOURCES - OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	
SRECNP OPERATING EXPENSES - COST OF SALES & SERVICES Description: Error correction resolving from the use of an outdated actuarial valuation in 2023	840,948.00
SNP DEFERRED INFLOWS OF RESOURCES - OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	
SRECNP OPERATING EXPENSES - COST OF SALES & SERVICES Description: Error correction resolving from the use of an outdated actuarial valuation in 2023	651,157.00
Total Restatement - Error Corrections	\$160,626.00

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
SNP NONCURRENT LIABILITIES - COMPENSATED ABSENCES PAYABLE	
SRECNP OPERATING EXPENSES - COST OF SALES & SERVICES Description: Implementation of GASB Statement No.101 Compensated absences	(125,379.00)
Total Restatement - Changes in Accounting Principle	\$(125,379.00)

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.

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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:  
Reclassification of custodial cash and related liabilities from enterprise fund to a fiduciary fund of 1.4 million

## **ANNUAL FISCAL REPORT (AFR) FOR 2025**

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### **SUBMISSION**

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

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

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

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