

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

As of and for the Year Ended June 30, 2014

(With Independent Auditors' Report Thereon)

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

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Independent Auditors' Report

Board of Commissioners
Louisiana State Board of Architectural Examiners
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Report of the Financial Statements

We have audited the accompanying financial statements of the Louisiana State Board of Architectural Examiners, a component unit of the State of Louisiana, as of and for the year then ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana State Board of Architectural Examiners as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Board's basic financial statements. The accompanying supplemental schedule of Commissioners' Per Diem and the Division of Administration reporting package listed in the table of contents are presented for purposes of additional analysis and not a required part of the basic financial statements.

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of the Louisiana State Board of Architectural Examiners' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Griffin & Company, LLC

August 28, 2014

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA

Management Discussion and Analysis

June 30, 2014

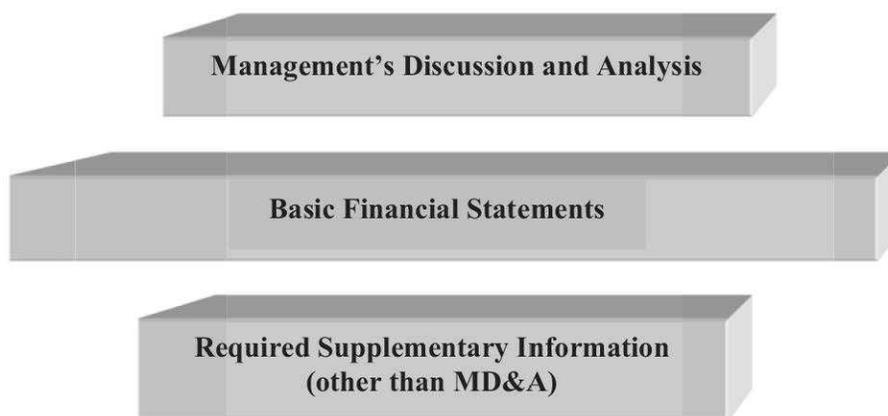
The Management's Discussion and Analysis of the Louisiana State Board of Architectural Examiners' (the "Board") financial performance presents a narrative overview and analysis of the Board's financial activities for the period from July 1, 2013 to June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Board's financial statements.

Financial Highlights

- The Board's assets exceeded its liabilities at the close of fiscal year 2014 by \$777,071. Assets consist primarily of cash, certificates of deposit, and capital assets. Net position increased by \$15,231 or 2.0% compared to the prior fiscal year.
- The Board's revenues totaled \$503,502 for the year ended June 30, 2014. These revenues are comprised primarily of license renewal fees, other fees, and interest income. Revenues increased 9,593 or 1.9% compared to the prior fiscal year.
- The Board's expenditures totaled \$488,271 for the year ended June 30, 2014. These expenditures are comprised primarily of personnel, operating, and professional services. Expenditures decreased \$11,734 or 2.3% compared to the prior fiscal year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of two sections - Management's Discussion and Analysis (this section), and the Basic Financial Statements (including the notes to the financial statements). There is no additional Required Supplementary Information other than this management discussion and analysis.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
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Management Discussion and Analysis

June 30, 2014

Basic Financial Statements

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

The Statement of Net Position presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

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

The Statement of Cash Flows presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement 34.

Financial Analysis of the Entity

**Statement of Net Position
As of June 30, 2014**

Current assets	\$ 923,315
Capital assets, net	<u>16,063</u>
Total assets	<u>939,378</u>
Other current liabilities	14,167
Unearned revenue	28,000
Compensated absences payable	18,252
Other post-employment benefits payable	<u>101,888</u>
Total liabilities	<u>162,307</u>
Net position	
Invested in capital assets, net of debt	16,063
Unrestricted	<u>761,008</u>
Total net position	<u>777,071</u>
Total liabilities and net position	<u>\$ 939,378</u>

Unrestricted net position is those that do not have any limitations on how these amounts may be spent. Net position of the Board increased by \$15,231 or 2.0%, from June 30, 2013 to June 30, 2014.

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Management Discussion and Analysis

June 30, 2014

Statement of Activities
For the Year Ended June 30, 2014

Operating revenue	\$ 502,120
Operating expenses	<u>488,271</u>
Operating income	13,849
Non-operating revenue	<u>1,382</u>
Net increase net position	<u><u>\$ 15,231</u></u>

The Board's total revenues increased by \$9,593 or 1.9%. The total cost of all programs and services decreased by \$11,734 or 2.3%.

Capital Assets and Debt Administration

Capital Assets

The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2014 and 2013, was \$16,063 and \$23,598, respectively. There were no additions in the current year. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

Debt

The Board has obligation for compensated absences of \$18,252. The obligation increased from \$15,589 for an increase of \$2,662 or 17%.

The Board has obligation for other post employment retirement benefits of \$101,888. The obligations increased from \$90,688 for an increase of \$11,200 or 12.3%.

Variations Between Actual and Budget Amounts

Operating revenues were less than anticipated by \$4,330 or 0.9%. Expenses were \$111,380 or 18.6% less than anticipated. Expenses are always held below that which is actually received. Overall, the change in net position was a positive difference of \$15,231.

Economic Factors and Next Year's Budget

The Board plans to continue its awards and intern development program. Increased renewals online continues to be a goal of the Board.

Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Ms. Mary "Teeny" Simmons, Executive Director, at 9625 Fenway Avenue, Suite B, Baton Rouge, Louisiana 70809, 225-925-4802.

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Statement of Net Position

For the Year Ended June 30, 2014

(See Independent Auditors' Report)

<u>Assets</u>		
Cash & cash equivalents	\$ 632,739	
Investments	290,576	
Capital assets (net of depreciation)	<u>16,063</u>	
Total assets		939,378
<u>Liabilities</u>		
Current liabilities:		
Accounts payable & accruals	14,167	
Unearned revenue	28,000	
Long-term Liabilities		
Compensated absences payable	18,252	
Other post employment benefits payable	<u>101,888</u>	
Total liabilities		<u>162,307</u>
<u>Net Position</u>		
Invested in capital assets, net of related debt	16,063	
Unrestricted	<u>761,008</u>	
Total net position		\$ <u><u>777,071</u></u>

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
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Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2014

(See Independent Auditors' Report)

Operating revenues:			
Licenses and other fees		\$	502,120
Operating expenses:			
Salaries and related benefits	\$	249,087	
Meetings, conferences and travel		46,723	
Professional services		64,256	
General and administrative		120,670	
Depreciation		7,535	
Total operating expenses		488,271	
Operating income			13,849
Non-operating revenues			
Interest income		1,382	
Total non-operating revenues			1,382
Increase in net position			15,231
Net position, beginning of year			796,216
Prior period adjustment			(34,376)
Net position, beginning of year, as restated			761,840
Net position, end of year		\$	777,071

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
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Statement of Cashflows

For the Year Ended June 30, 2014

(See Independent Auditors' Report)

Cash flows from operating activities:		
Cash received from customers	\$	504,320
Cash paid to suppliers for goods/services		(214,085)
Cash paid to employees for services		<u>(250,273)</u>
Net cash provided by operating activities		39,962
Cash flows from investing activities:		
Purchases of investments		(852)
Interest received		<u>1,382</u>
Net cash provided by investing activities		<u>530</u>
Net increase in cash and cash equivalents		40,492
Cash and cash equivalents, beginning of year		<u>592,247</u>
Cash and cash equivalents, end of year	\$	<u><u>632,739</u></u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$	13,849
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$	7,535
Decrease in liabilities		
Payroll liabilities		2,515
Compensated absences payable		2,663
Unearned revenue		2,200
Other post-employment benefits payable		<u>11,200</u>
Total adjustments		<u>26,113</u>
Net cash provided by operating activities	\$	<u><u>39,962</u></u>

See accompanying notes to the financial statements.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Notes to Financial Statements

June 30, 2014

(1) Summary of Significant Accounting Policies

(a) Introduction

The Louisiana State Board of Architectural Examiners is a component unit of the State of Louisiana. It was created within the Office of the Governor as provided by Louisiana Revised Statute 37:142. The Board serves as a statewide authority to license and regulate the practice of architecture in the State of Louisiana. The Board is composed of 7 members that are appointed by the Governor of the State of Louisiana and serve six-year terms. Five of the members must be licensed architects that have practiced architecture for at least 7 years. One of the members must be an architect employed for at least seven years prior to his/her appointment in architectural education or as an administrator of building design, construction or design standards for government at the local, state or national level. The remaining board member is one that is not actively engaged in or retired from the professions of architecture, engineering, interior design, landscape architecture or the design/construction of buildings. Board members, as authorized by Louisiana Administrative Code 46:317(C), may receive a per diem of \$138 per day in addition to actual expense reimbursement to attend meetings or conduct board-approved business.

(b) Measurement Focus, Basis of Accounting, and Financial Basis Presentation

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. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and financial reporting standards.

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the Governor appoints the Board members and public service is rendered within the state's boundaries. The accompanying financial statements present only transactions of the Louisiana State Board of Architectural Examiners. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds 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.

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Notes to Financial Statements

June 30, 2014

The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position. Net position is segregated into net investment in capital assets, restricted, and unrestricted.

(c) Assets, Liabilities, and Net Assets

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and certificates of deposit. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments

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

Use of Estimates

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

Capital Assets

The Board's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the Board includes all capital acquisitions with a cost of \$5,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

Compensated Absences

Employees of the Board had accumulated and vested \$18,252 in employee leave benefits as of June 30, 2014. This total was computed in accordance with GASB Codification Section C60.150.

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Notes to Financial Statements

June 30, 2014

Net Position

In the statements of net position, the difference between a government's assets and liabilities is recorded as net position. The two components of net position are as follows:

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Unrestricted - This category represents net assets not appropriate for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

(2) Stewardship, Compliance, and Accountability

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

(3) Deposits with Financial Institutions

The following is a summary of cash and cash equivalents at June 30, 2014:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits:	<u>\$ 632,739</u>	<u>\$ 643,650</u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These 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.

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

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counterparty or the counter-party's trust department or agent but not in the entity's name. All investments of the Board are certificates of deposit with maturities

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Notes to Financial Statements

June 30, 2014

extending beyond 90 days. They are not subject to custodial credit risk. At June 30, 2014, the Board had three certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Regions Bank	8/10/14	.10%	\$ 119,080
Chase Bank	10/10/15	.05%	80,909
Capital One	6/29/15	.15%	90,587
Total			\$ 290,576

(4) Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and equipment	\$ 48,195	-	-	48,195
Less: accumulated depreciation	(24,597)	(7,535)	-	(32,132)
Net Furniture and Equipment/ Net Capital Assets, being depreciated	\$ 23,598	(7,535)	-	16,063

(5) Compensated Absences

The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to and approved by the Director. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2014, being \$18,251.

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no compensatory leave time accrued at June 30, 2014.

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Notes to Financial Statements

June 30, 2014

(6) Retirement System

Substantially all employees of the Board belong to the Louisiana State Employees Retirement System, a single employer defined benefit pension plan. The System is a statewide public employee retirement system and is available to all eligible employees. The System publishes annual financial reports that include detailed historical, financial, and actuarial information.

All full time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. Generally, at retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months average salary multiplied by their years of credited service, except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Retirement eligibility for these members is limited to age 60 or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to participate before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of services, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of ten years of service.

The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members hired before July 1, 2006 are required by state statute to contribute 7.5% of gross salary, while members hired after June 30, 2006 contribute 8% of gross salary. The Board is required to contribute at an actuarially determined rate as required by Revised Statute 11:102. The Board's contribution rates for fiscal years ended June 30, 2014, 2013, and 2012 were 31.3%, 29.1%, and 25.6%, respectively, of annual covered payroll. The Board's contributions to the System for the years ending June 30, 2014, 2013, and 2012 were \$51,005, \$40,248, and \$36,283, respectively, which are the required contributions for each year.

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

Plan Description. The Board's employees may participate in the Louisiana State Board of Architectural Examiners' Other Post-employment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 provides the authority to establish and amend

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

Funding Policy. The contribution requirements of plan members and the Board are established and may be amended by LRS 42:801-883 and are on a pay as you go basis. Employees do not contribute to their post-employment 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 plan and if the member has Medicare coverage. The Office of Group Benefits offers four standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) plan, the Consumer Directed Health Plan with an HSA (CDHP), and the Medical Home HMO Plan (MHHMO). Retired employees who have Medicare Part A and Part B coverage also have access to Medicare Advantage plans which are offered on a calendar year basis. Administrative costs of the OPEB Plan are financed through the premiums collected for all classes of active and retired plan members. Contribution amounts vary depending on which healthcare provider is selected from the plan, years of participation, and if the member has Medicare coverage.

Plan Provisions. Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

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

Total monthly per capita premium equivalent rates in effect for the plan year 2013-2014:

	<u>PPO</u>	<u>HMO</u>	<u>CDHP</u>	<u>MHHMO</u>
Active:				
Effective January 1, 2014:				
Single	\$594	\$561	\$461	\$573
With Spouse	1,262	1,192	979	1,200
With Children	724	684	563	695
Family	1,331	1,257	1,033	1,264

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Notes to Financial Statements

June 30, 2014

	<u>PPO</u>	<u>HMO</u>	<u>CDHP</u>	<u>MHHMO</u>
Effective January 1, 2013:				
Single	\$576	\$544	\$447	\$536
With Spouse	1,223	1,156	950	1,122
With Children	702	664	545	651
Family	1,290	1,219	1,001	1,183
Retired without Medicare & Re-Employed Retiree:				
Effective January 1, 2014:				
Single	\$1,105	\$1,047		\$1,052
With Spouse	1,951	1,849		1,847
With Children	1,231	1,167		1,171
Family	1,942	1,841		1,839
Effective January 1, 2013:				
Single	\$1,071	\$1,015		\$985
With Spouse	1,892	1,793		1,727
With Children	1,193	1,131		1,095
Family	1,883	1,784		1,719
Retired with 1 Medicare:				
Effective January 1, 2014:				
Single	\$359	\$347		\$352
With Spouse	1,328	1,266		1,262
With Children	622	596		599
Family	1,769	1,686		1,676
Effective January 1, 2013:				
Single	\$348	\$336		\$330
With Spouse	1,287	1,228		1,180
With Children	603	578		561
Family	1,715	1,634		1,567
Retired with 2 Medicare:				
Effective January 1, 2014:				
With Spouse	\$646	\$621		\$621
Family	800	769		766
Effective January 1, 2013:				
With Spouse	\$626	\$602		\$582
Family	775	746		717

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Notes to Financial Statements

June 30, 2014

Medicare Advantage Rates are as follows:

	Retired with	
	<u>1 Medicare</u>	<u>2 Medicare</u>
Effective January 1, 2014:		
Peoples Health HMO	\$251	\$502
Vantage HMO	151	301
Effective January 1, 2013:		
Peoples Health HMO	\$234	\$468
Vantage HMO	184	369

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Company of America. The total monthly premium is approximately \$1.08 per thousand dollars of coverage of which the employer pays one-half of the premiums. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

Annual OPEB Cost. The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2013 is \$11,100.

The following table shows the components of the Board's net OPEB obligation:

		<u>6/30/14</u>	<u>6/30/13</u>	<u>6/30/12</u>
Annual required contribution	\$	11,100	13,300	11,000
Interest on Net OPEB Obligation		3,600	3,900	2,600
Adjustment to Annual Required Contribution		<u>(3,500)</u>	<u>(3,700)</u>	<u>(2,500)</u>
Annual OPEB cost (expense)		11,200	13,500	11,100
Contributions made (retiree cost)		-	-	-
Net OPEB obligation – beginning of year		<u>90,688</u>	<u>77,188</u>	<u>66,088</u>
Net OPEB obligation – end of year	\$	<u>101,888</u>	<u>90,688</u>	<u>77,188</u>

Funded Status and Funding Progress. As of June 30, 2014, the Board did not have an OPEB trust. A trust was established during the prior year, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial accrued liability of \$101,888 was unfunded.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA**

Notes to Financial Statements

June 30, 2014

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented below as required supplementary information is intended to provide multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Required Supplementary Information
Schedule of Funding Progress
(in thousands)**

Actuarial valuation date		7/1/2013	7/1/2012	7/1/2011
Actuarial value of assets	a	-	-	-
Actuarial accrued liability (AAL)	b	\$ 118	132	114
Unfunded AAL (UAAL)	b-a	\$ 118	132	114
Funded ratio	a/b	0%	0%	0%
Covered payroll	c	\$ 62	94	77
UAAL as a % of covered payroll	b-a/c	190%	140%	148%

For the three valuation periods above, the unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open amortization period of thirty years.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8% and 6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 4.5% per year. The Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open amortization period of thirty years.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA

Notes to Financial Statements

June 30, 2014

(8) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 15,589	7,949	5,286	18,252	-
Other post-employment benefits plan	<u>90,688</u>	<u>11,200</u>	<u>-</u>	<u>101,888</u>	<u>-</u>
Total	<u>\$ 106,277</u>	<u>19,149</u>	<u>5,286</u>	<u>120,139</u>	<u>-</u>

(9) Related Party Transactions

There were no related party transactions during the year.

(10) Contingent Liabilities

There is no litigation that would require disclosure in this financial report.

(11) Leases

Operating Leases

The Board previously executed a lease for office space for a term of five years beginning on August 1, 2002, payable at \$2,940 per month. The lease includes an additional option term of five years which was exercised in July of 2007 and again in July of 2012. For the year ended June 30, 2014, lease payments of \$35,281 were made.

A copier is being leased from Pitney Bowes and is paid on a month-to-month basis. Payments during the year were \$3,951.

The following is a schedule of the future minimum lease payments required under operating leases with initial or non-cancelable lease terms in excess of one year as of June 30, 2014:

<u>Years Ending</u>	<u>Amount</u>
2015	\$ 35,281
2016	35,281
2017	<u>35,281</u>
	<u>\$ 105,843</u>

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA

Notes to Financial Statements

June 30, 2014

(12) Prior Period Adjustment

During the current period, the Board recorded prior period adjustments decreasing net position by \$34,376. These adjustments related to unrecorded liabilities that existed at June 30, 2013 for accounts payable, accrued wages, state income tax withholding, and unearned revenues.

(13) Evaluation of Subsequent Events

Subsequent events were evaluated through August 28, 2014, which is the date the financials statements were available to be issued.

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
OFFICE OF THE GOVERNOR
STATE OF LOUISIANA

Schedule of Commissioners' Per Diem

For the Year Ended June 30, 2014

(See Independent Auditors' Report)

<u>Name</u>		<u>Amount</u>
Allen J. Bacque	\$	2,235
Ronald J. Blicht		2,086
Creed Brierre		596
David J. Brinson		2,682
John Cardone, Jr.		2,533
Richard J. LeBlanc		2,384
Robert W. McKinney		<u>2,533</u>
	\$	<u><u>15,049</u></u>

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2014

C O N T E N T S

Affidavit

Statements

Statement of Net Position	A
Statement of Revenues, Expenses, and Changes in Net Position	B
Statement of Activities	C
Statement of Cash Flows	D
Notes to the Financial Statements	

Notes	Note Name
A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (See Appendices Packet - Appendix A at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm)
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Other Postemployment Benefits (See Appendices Packet - Appendix D at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm)
J.	Leases
K.	Long-Term Liabilities
L.	Contingent Liabilities
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendices Packet - Appendix E at http://www.doa.louisiana.gov/OSRAP/afrpackets.htm)
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances

- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Position
- BB. Assets Restricted by Enabling Legislation
(See Appendices Packet - Appendix C at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)
- CC. Impairment of Capital Assets
(See Appendices Packet - Appendix B at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. American Recovery and Reinvestment Act (ARRA)
- GG. Restricted Assets – Other Purposes
- HH. Service Concession Arrangements
- II. Nonexchange Financial Guarantees

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 15 Schedule of Comparison Figures and Instructions

The Appendices Packet is located as a separate packet on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2014

Louisiana State Board of Architectural Examiners
9625 Fenway Avenue, Suite B
Baton Rouge, LA 70809-1592

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

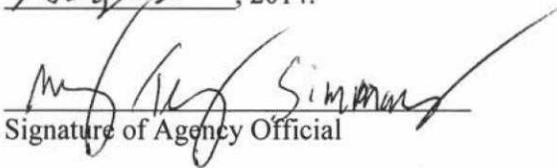
LLAFileroom@lla.la.gov.

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Mary "Teeny" Simmons, Executive Director of the Louisiana State Board of Architectural Examiners, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana State Board of Architectural Examiners at June 30, 2014 and the results of operations for the year then 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. Sworn and subscribed before me, this 21st day of August, 2014.



Signature of Agency Official



NOTARY PUBLIC

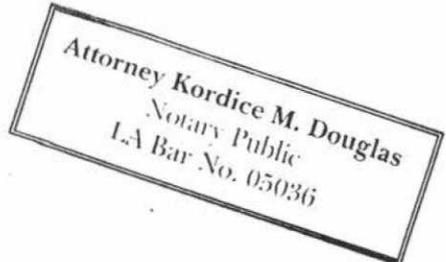
Prepared by: Mary L. (Teeny) Simmons

Title: Executive Director

Telephone No.: 225-925-4802

Date: August 24 2014

Email Address: bd@lsbae.brcoxmail.com



STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2014
 (See Independent Auditors' Report)

Statement A

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$	632,739
Restricted Cash and Cash Equivalents		
Investments		290,576
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		
Total current assets		923,315

NONCURRENT ASSETS

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		
Buildings and improvements		
Machinery and equipment		16,063
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		16,063
Total assets	\$	939,378

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in fair value of hedging derivatives	\$	
Deferred amounts on debt refunding		
Adjustments of capital lease obligations		
Grants paid prior to meeting time requirements		
Intra-entity transfer of future revenues (transferee)		
Losses from sale-leaseback transactions		
Direct loan origination costs for mortgage loans held for sale		
Fees paid to permanent investors prior to sale of mortgage loans		
Total deferred outflow of resources	\$	-
Total assets and deferred outflow of resources	\$	939,378

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	14,167
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Unearned revenues		28,000
Amounts held in custody for others		
Other current liabilities		

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2014
 (See Independent Auditors' Report)

Statement A

Liabilities Cont'

Current portion of long-term liabilities: (Note K)		
Contracts payable	\$	_____
Compensated absences payable		_____
Capital lease obligations		_____
Claims and litigation payable		_____
Notes payable		_____
Pollution remediation obligation		_____
Bonds payable (include unamortized costs)		_____
Other long-term liabilities		_____
Total current liabilities		_____
NONCURRENT LIABILITIES		
Contracts payable		_____
Compensated absences payable		18,252
Capital lease obligations		_____
Claims and litigation payable		_____
Notes payable		_____
Pollution remediation obligation		_____
Bonds payable (include unamortized costs)		_____
OPEB payable		101,888
Other long-term liabilities		_____
Total noncurrent liabilities		120,140
Total liabilities		_____
DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging derivatives	\$	_____
Deferred amounts related to service concession arrangement		_____
Deferred amounts of debt refunding		_____
Adjustments of capital lease obligations		_____
Grants received prior to meeting time requirements		_____
Property taxes received before the period of which the taxes were levied		_____
Fines and penalties received in advance of meeting time requirements		_____
Sales/intra-entity transfers of future revenues (transferor)		_____
Gains from sale-leaseback transactions		_____
Points received on loan origination		_____
Loan origination fees received for mortgage loans held for sale		_____
Total deferred inflows of resources		-
NET POSITION		
Net investment in capital assets		16,063
Restricted for:		
Capital projects		_____
Debt service		_____
Unemployment compensation		_____
Other specific purposes		_____
Unrestricted		761,008
Total net position		777,071
Total liabilities, deferred inflows of resources, and net position	\$	777,071

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2014
 (See Independent Auditors' Report)

Statement B

OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____ 502,120
Federal grants and contracts	_____
State, local and nongovernmental grants and contracts	_____
Other	_____
Total operating revenues	_____ 502,120
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	_____ 480,736
Depreciation	_____ 7,535
Amortization	_____
Total operating expenses	_____ 488,271
Operating income(loss)	_____ 13,849
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____ 1,382
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	_____ 1,382
Income(loss) before contributions, extraordinary items, & transfers	_____ 15,231
Capital contributions	_____
Extraordinary item	_____
Transfers in	_____
Transfers out	_____
Change in net position	_____ 15,231
Total net position beginning	_____ 796,216
Prior period adjustment (Note AA)	_____ (34,376)
Total net position - beginning, as restated	_____ 761,840
Total net position ending	\$ _____ 777,071

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014
 (See Independent Auditors' Report)

Statement C

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 488,271	\$ 502,120	\$	\$	\$ 13,849
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					1,382
Miscellaneous					
Special items					
Extraordinary item					
Transfers					
Total general revenues, special items, and transfers					1,382
Change in net assets					15,231
Net position - beginning					796,216
Prior period adjustment (Note AA)					(34,376)
Net position - beginning as restated					761,840
Net position - ending					\$ 777,071

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(See Independent Auditors' Report)**

**Statement D
(continued)**

Cash flows from operating activities		
Cash receipts from customers	\$ 504,320	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(214,085)	
Cash payments to employees for services	(250,273)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		39,962
Cash flows from non-capital financing activities		
State Appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Deferred proceeds from capital leases		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities	(852)	
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	1,382	
Net cash provided(used) by investing activities		530
Net increase(decrease) in cash and cash equivalents		40,492
Cash and cash equivalents at beginning of year		592,247
Cash and cash equivalents at end of year	\$	632,739

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2014
 (See Independent Auditors' Report)**

**Statement D
 (concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$	<u>13,849</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>7,535</u>	
Provision for uncollectible accounts	<u> </u>	
Other	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u> </u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u> </u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>2,515</u>	
Increase(decrease) in compensated absences payable	<u>2,663</u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in unearned revenues	<u>2,200</u>	
Increase(decrease) in OPLB payable	<u>11,200</u>	
Increase(decrease) in other liabilities	<u> </u>	
 Net cash provided(used) by operating activities	 \$	 <u>39,962</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$	<u> </u>
Contributions of fixed assets		<u> </u>
Purchases of equipment on account		<u> </u>
Asset trade-ins		<u> </u>
Other (specify)		<u> </u>
 <u> </u>		<u> </u>
 <u> </u>		<u> </u>
 <u> </u>		<u> </u>
 Total noncash investing, capital, and financing activities:	 \$	 <u> </u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014
(See Independent Auditors' Report)

INTRODUCTION

The Louisiana State Board of Architectural Examiners was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:142. The following is a brief description of the operations of Louisiana State Board of Architectural Examiners and includes the parish/parishes in which the Louisiana State Board of Architectural Examiners is located:

The Board is composed of 7 members that are appointed by the Governor of the State of Louisiana and service six-year terms. Five of the members must be licensed architects that have practiced architecture for at least 7 years. One of the members must be an architect employed for at least seven years prior to his/her appointment in architectural education or as an administrator of building design, construction or design standards for government at the local, state or national level. The remaining board member is one that is not actively engaged in or retired from the professions of architecture, engineering, interior design, landscape architecture or the design/construction of buildings. Board members, as authorized by Louisiana Administrative Code 46:137(C), may receive a per diem of \$138 per day in addition to actual expense reimbursement to attend meetings or conduct board-approved business.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana State Board of Architectural Examiners present information only as to the transactions of the programs of the Louisiana State Board of Architectural Examiners as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana State Board of Architectural Examiners are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014
(See Independent Auditors' Report)

I. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Architectural Examiners may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Architectural Examiners may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2014, consisted of the following:

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
 Notes to the Financial Statement
 As of and for the year ended June 30, 2014
 (See Independent Auditors' Report)

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 632,739	\$	\$	\$ 632,739
Deposits in bank accounts per bank	\$ 643,650	\$	\$	\$ 643,650
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1.	Whitney Bank		\$ 543,650
2.	Regions Bank		100,000
3.			
4.			
Total			\$ 643,650

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$ 0
Petty cash	\$ 0

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2. INVESTMENTS

The Louisiana State Board of Architectural Examiners does/does not maintain investment accounts as authorized by 33:2955

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

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<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Statement of Net Position</u>	<u>Fair Value</u>
Negotiable CDs	\$	\$	\$ 290,576	\$ 290,576
Repurchase agreements				
U.S. Government Obligations **				
U.S. Agency Obligations***				
Common & preferred stock				
Mortgages (including CMOs & MBSs)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ****				
External Investment Pool (Other)				
Other: (identify)				
Total investments	\$ -	\$ -	\$ 290,576	\$ 290,576

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendices Packet, Appendix A, at <http://www.doa.louisiana.gov/OSRAP/afpackets.htm> for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial credit risk (See Appendix A in the Appendices Packet for a discussion of FNMA & FHLMC)

**** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES (NOT APPLICABLE)
4. DERIVATIVES (GASB 53) (NOT APPLICABLE)
5. POLICIES (NOT APPLICABLE)
6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS (NOT APPLICABLE)

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D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

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Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	Balance 6/30/2013	Prior Period Adjustments	Restated Balance 6/30/2013	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2014
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total buildings	-	-	-	-	-	-	-
Machinery & equipment	48,195	-	48,195	-	-	-	48,195
** Accumulated depreciation	(24,597)	-	(24,597)	-	-	(7,535)	(32,132)
Total machinery & equipment	23,598	-	23,598	-	-	(7,535)	16,063
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 23,598	\$ -	\$ 23,598	\$ -	\$ -	\$ (7,535)	\$ 16,063
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	48,195	-	48,195	-	-	-	48,195
Total cost of capital assets	48,195	-	48,195	-	-	-	48,195
Accumulated depreciation/amortization	(24,597)	-	(24,597)	-	-	(7,535)	(32,132)
Capital assets, net	\$ 23,598	\$ -	\$ 23,598	\$ -	\$ -	\$ (7,535)	\$ 16,063

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

** Enter a negative number except for accumulated depreciation in the retirement column

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If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported.

E. INVENTORIES (NOT APPLICABLE)

F. RESTRICTED ASSETS (NOT APPLICABLE)

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana State Board of Architectural Examiners has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various 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 a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

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2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2014 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana State Board of Architectural Examiners are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time Louisiana State Board of Architectural Examiners employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2013 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton

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Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasersonline.org/uploads/CAFR_2013.pdf

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The Louisiana State Board of Architectural Examiners is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2014, increased to 31.3% of annual covered payroll from the 29.1% and 25.6% required in fiscal years ended June 30, 2013 and 2012 respectively. The Louisiana State Board of Architectural Examiners contributions to the System for the years ending June 30, 2014, 2013, and 2012, were \$51,005, \$40,248, and \$36,283, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/af packets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014." Report note disclosures for other plans, not administrated by OGB, separately.

Fiscal year ending	Annual OPEB expense and net OPEB Obligation	6/30/2014
1. * ARC		\$ 11,100
2. * Interest on NOO		<u>3,600</u>
3. * ARC adjustment		<u>3,500</u>
4. * Annual OPEB Expense (1. + 2. - 3.)		<u>11,200</u>
5. Contributions (employer pmts. to OGB for retirees' cost of 2014 insurance premiums)		<u>-</u>
6. Increase in Net OPEB Obligation (4. - 5.)		<u>11,200</u>
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		<u>90,688</u>
8. **NOO, end of year (6. + 7.)		<u><u>101,888</u></u>

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014."

**This should be the same amount as that shown on the statement of net position for the year

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ended June 30, 2014 if your entity's only OPEB is administered by OGB.

For more information on calculating the net OPEB obligation, see the Appendices Packet, Appendix D, at <http://www.doa.louisiana.gov/OSRAP/afipackets.htm>.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.

1. OPERATING LEASES

The total payments for operating leases during fiscal year June 30, 2014 amounted to \$40,122. **(Note: If lease payments extend past FY 2029, create additional columns and report these future minimum lease payments in five year increments.)** A schedule of payments for operating leases follows:

Nature of lease	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020-2024</u>	<u>FY 2025-2029</u>
Office Space	\$ 35,281	\$ 35,281	\$ 35,281	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
Total	\$ 35,281	\$ 35,281	\$ 35,281	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES

The Board does not have any capital leases.

3. LESSOR DIRECT FINANCING LEASES (NOT APPLICABLE)

4. LESSOR – OPERATING LEASE (NOT APPLICABLE)

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 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
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K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2014:

	<u>Year ended June 30, 2014</u>				Amounts due within one year
	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Contracts payable				-	
Compensated absences payable	15,589	7,949	5,286	18,252	
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	90,688	11,200		101,888	
Other long-term liabilities				-	
Total other liabilities	<u>106,277</u>	<u>19,149</u>	<u>5,286</u>	<u>120,140</u>	<u>-</u>
Total long-term liabilities	<u>\$ 106,277</u>	<u>\$ 19,149</u>	<u>\$ 5,286</u>	<u>\$ 120,140</u>	<u>\$ -</u>

(Balances at June 30th should include current and non-current portion of L-T liabilities.)

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

The totals must equal the statement of net position for each type of long-term liabilities.

L. CONTINGENT LIABILITIES (NOT APPLICABLE)

M. RELATED PARTY TRANSACTIONS (NOT APPLICABLE)

N. ACCOUNTING CHANGES (NOT APPLICABLE)

O. IN-KIND CONTRIBUTIONS (NOT APPLICABLE)

P. DEFEASED ISSUES (NOT APPLICABLE)

Q. REVENUES – PLEDGED OR SOLD (GASB 48) (NOT APPLICABLE)

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) (NOT APPLICABLE)

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS (NOT APPLICABLE)

T. SHORT-TERM DEBT (NOT APPLICABLE)

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 LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
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- U. DISAGGREGATION OF RECEIVABLE BALANCES (NOT APPLICABLE)
- V. DISAGGREGATION OF PAYABLE BALANCES (NOT APPLICABLE)
- W. SUBSEQUENT EVENTS (NOT APPLICABLE)
- X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT (NOT APPLICABLE)
- Y. DUE TO/DUE FROM AND TRANSFERS (NOT APPLICABLE)
- Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS (NOT APPLICABLE)

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION

The following adjustments were made to restate beginning net position for June 30, 2013.

Ending net position 6/30/13 as reported to OSRAP on PY AFR	*Adjustments to ending net position 6/30/13 (after AFR was submitted to OSRAP) : or (-)	Restatements (Adjustments to beg. balance 7/1/13) : or (-)	Beg net position @ 7/1/13 as restated
\$ 796,216	\$ (34,376)		\$ 761,840
			-
			-
			-
			-

*Include all audit adjustments accepted by the agency or entity.
 Each adjustment must be explained in detail on a separate sheet.

The prior period adjustments are due to unrecorded liabilities that existed at June 30, 2013 as follows:

1. \$1,348 understatement of state withholding payable
2. \$2,358 understatement of accounts payable
3. \$4,870 understatement of accrued wages
4. \$25,800 understatement of unearned revenue

- BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) (NOT APPLICABLE)
- CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES (NOT APPLICABLE)
- DD. EMPLOYEE TERMINATION BENEFITS (NOT APPLICABLE)
- EE. POLLUTION REMEDIATION OBLIGATION (NOT APPLICABLE)

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FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) (NOT APPLICABLE)

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES (NOT APPLICABLE)

HH. SERVICE CONCESSION ARRANGEMENTS (NOT APPLICABLE)

II. NONEXCHANGE FINANCIAL GUARANTEES (GASB 70) (NOT APPLICABLE)

STATE OF LOUISIANA

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS

COMPARISON FIGURES

(See Independent Auditors' Report)

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$5 million, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

	<u>2014</u>	<u>2013</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 503,502	\$ 468,109	\$ 35,393	7.6%
Expenses	488,271	500,005	(11,734)	(2.3)%
2) Capital assets	16,063	23,598	(7,535)	(31.9)%
Long-term debt	120,140	106,277	13,863	13.0%
Net position	777,071	761,840	15,231	2.0%
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			

**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**

Independent Auditors' Report

**Board of Commissioners
Louisiana State Board of Architectural Examiners
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana**

We have audited the basic financial statements of the Louisiana State Board of Architectural Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and have issued our report dated August 28, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of American and the standards applicable to financial audit contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Board of Architectural Examiners' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weakness and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be 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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 following deficiency in the Board's internal control to be a significant deficiency:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Board's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Louisiana State Board of Architectural Examiners, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Griffin & Company, LLC

August 28, 2014

LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
OFFICE OF THE GOVERNOR

Schedule of Findings and Management Corrective Action Plan

For the Year Ended June 30, 2014

Summary of Audit Results:

1. Type of Report Issued – Unqualified
2. Internal Control Over Financial Reporting
 - a. Significant Deficiencies – Yes (2014-1)
 - b. Material Weaknesses – No
3. Compliance and Other Matters – No
4. Management Letter - No

Finding 2014-1:

Criteria:

Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition & Cause:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Board's annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management Corrective Action Plan:

In response to the finding, management feels that it is a prudent use of funds to engage the auditor to prepare the Board's annual financial reports. We therefore agree with the auditors' recommendation that no correction action is necessary.

**LOUISIANA STATE BOARD OF ARCHITECTURAL EXAMINERS
STATE OF LOUISIANA
OFFICE OF THE GOVERNOR**

Status of Prior Audit Findings

For the Year Ended June 30, 2014

The prior audit findings for the Louisiana State Board of Architectural Examiners are as followings:

There were no prior audit findings.