PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Financial Statements with Supplementary Information

June 30, 2022

(With Independent Auditors' Report Thereon)

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

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PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

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GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Jessica S. Benjamin, Director
Racheal D. Alvey, Director

Members
American Institute of
Certified Public Accountants
Society of LA CPA's

Independent Auditors' Report

Board of Commissioners
Pontchartrain Levee District
Lutcher, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pontchartrain Levee District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District'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 governmental activities, each major fund, and aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

2270 7th Street, Suite 1, Mandeville, LA 70471
Phone: (985) 727-9924 • Fax: (985) 727-9975

4900 Cypress Street, Suite 15, West Monroe, LA 71291
Phone: (318) 397-2472 • Fax: (318) 397-2402

www.griffinandco.com

there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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' Responsibility

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

- **Exercise professional judgment and maintain professional skepticism throughout the audit.**
- **Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.**
- **Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to continue as a going concern for a reasonable period of time.**

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 6 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2022, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Griffin & Furman, LLC

September 9, 2022

The management's discussion and analysis of the Pontchartrain Levee District (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2022. This document focused on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the District's financial statements.

Financial Highlights

- **Total net position increased $2,336,807 to $204,737,635 at June 30, 2022 from the June 30, 2021 amount of $202,400,858.**
- **The District recorded long-term debt for the other postemployment benefits (other than retirement benefits) liability for retiree's benefits in the amount of $9,224,265 required under Government Accounting Standard Board (GASB) Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. See notes to financial statements for further discussion.**
- **The District recognized its proportionate share of its pension liability in fiscal year 2022 in accordance with GASB 68 in the amount of $5,223,053 as of June 30, 2022.**
- **During fiscal year 2022, the District's governmental funds included levee improvements including levee lifts and other improvements and repairs to pump stations which are included in the total expenditures of $10,107,712.**

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which is comprised of government-wide financial statements, fund financial statements and notes to the financial statements.

The government-wide financial statements present financial information for all activities of the District from an economic resources measurement focus using the accrual basis of accounting. They present governmental activities, such as general government and debt service, separately from business-type activities. The District has only governmental activities. Government-wide financial statements for governmental activities include the Statement of Net Position and the Statement of Activities. They provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

The District has several governmental type funds with its major funds being the General Fund, Special Construction Fund, and the West Shore Feasibility Study Fund. The fund financial statements are comprised of the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. These statements report how the District's flood protection services are financed in the short term as well as what remains for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's major funds. We describe the relationship (or differences) between the governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in a reconciliation that follows each respective fund financial statement.

Financial Analysis of the District

The following presents condensed financial information on the operation of the District:

		2022	2021	Change
Current assets	$	51,929,214	46,965,999	4,963,215
Capital assets, net of depreciation		167,362,438	170,214,752	(2,852,314)
Deferred outflows of resources		2,755,366	3,037,336	(281,970)
Total assets and deferred outflows of resources		222,047,018	220,217,687	1,829,331
Current liabilities		815,581	836,996	(21,415)
Long-term liabilities		14,447,318	15,628,826	(1,181,508)
Deferred inflows of resources		2,046,454	1,351,007	695,447
Total liabilities and deferred inflows of resources		17,309,353	17,816,829	(507,476)
Net position				
Net investment in capital assets		167,362,438	170,214,752	(2,852,314)
Unrestricted		37,375,227	32,186,106	5,189,121
Total net position		204,737,665	202,400,858	2,336,807
Total liabilities and net position	$	222,047,018	220,217,687	1,829,331
General revenues				
Property taxes	$	14,103,940	12,737,502	1,366,438
State revenue sharing		394,566	357,311	37,255
Other		608,932	2,100,016	(1,491,084)
Total general revenues		15,107,438	15,194,829	(87,391)
Expenditures		12,770,631	11,848,092	922,539
Change in net position	$	2,336,807	3,346,737	(1,009,930)

Analysis of Individual Funds of the District

The activity in the individual funds is reflected in the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. The total net position and the change in net position as reflected in the government-wide financial statements (which are condensed

above) are reconciled with the fund financial statements at in reconciliation statements that follow each respective fund financial statement.

Analysis of Budgeted Amounts

A comparison of budget to actual for the general fund is presented as a required supplemental statement. The annual budget is approved by the Board of Commissioners each year. The budgets are then submitted for approval to the Joint Legislative Committee on the budget no later than ninety days prior to the end of each fiscal year for the succeeding fiscal year for review.

The District prepares the original budget for the subsequent year based on estimates of revenues and expenses for the current year. The District makes assumptions about the subsequent year based on various factors available to management at the time the original budget is prepared. Management relies on the estimates and assumptions to determine how revenues and expenses for the subsequent year may fluctuate from the previous year.

Economic Factors and Next Year's Budgets

The District does not expect any significant variances for revenue or expenditure accounts between fiscal years ending June 30, 2022 and June 30, 2023.

Capital Assets

As of June 30, 2022, the District had $167,362,438 (net of depreciation) invested in a broad range of capital assets including land, building, equipment and infrastructure (lock system, pump stations and pumps). During the current year, the District recorded $1,715,476 of capital acquisitions, and recorded $4,567,789 of depreciation.

Long Term Debt

The District has recorded compensated absences payable as of June 30, 2022, in the amount of $248,129 which represents an increase of $14,696 from the prior year.

Also included in long term debt is the other post-employment benefits liability for retiree's benefits in the amount of $9,224,265 as required under Government Accounting Standard Board Statements No. 75 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. See notes to financial statements for further discussion.

Also included in long term debt is the net pension liability for retiree's benefits in the amount of $5,223,053 as required under Government Accounting Standard Board Statements No. 68 – Accounting and Financial Reporting by Employers for Pensions. See notes to financial statements for further discussion.

Contacting the District's Financial Management

This report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances. If you have any questions regarding this report, contact Monica Salins Gorman at 225-869-9721.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Statement of Net Position

June 30, 2022

Assets and Deferred Outflows of Resources

Assets:			
Cash in banks	$	4,868,616	
Investments		46,319,334	
Accounts receivable		431,702	
Prepaid insurance		225,918	
Inventories		83,644	
Property & equipment, net		167,362,438	
Total assets			219,291,652
Deferred outflows of resources			2,755,366
Total assets and deferred outflows of resources			$ 222,047,018

Liabilities, Deferred Inflows of Resources, and Net Position

Liabilities:			
Accounts payable	$	293,076	
Salaries and wages payable		274,376	
Accrued compensated absences		248,129	
Net pension liability		5,223,053	
Other postemployment benefits payable		9,224,265	
Total liabilities			15,262,899
Deferred inflows of resources			2,046,454
Net Position:			
Net investment in capital assets		167,362,438	
Unrestricted		37,375,227	
Total net position			204,737,665
Total liabilities, deferred inflows of resources, and net position			$ 222,047,018

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Statement of Activities

For the Year Ended June 30, 2022

	Expenses	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue & Changes in Net Position
Functions/Programs				
Governmental Activities:				
Levee maintenance	$ 12,770,631	-	-	(12,770,631)
Total General Government	12,770,631	-	-	(12,770,631)
General Revenues:				
Taxes				14,103,940
State revenue sharing				394,566
Interest income				155,106
Unrealized loss on investments				(464,523)
Reimbursement from USACE				299,980
Miscellaneous				618,369
Total general revenues				15,107,438
Change in net position				2,336,807
Net position - beginning of the year				202,400,858
Net position - end of year				$ 204,737,665

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Balance Sheet

June 30, 2022

	Major Funds			Non-Major	
	General Fund	Special Construction Fund	West Shore Feasibility Study Fund	Other Funds	Total Governmental Funds
Assets:					
Cash in banks	$ 2,601,998	1,817,397	60,797	388,424	4,868,616
Investments	39,876,167	6,443,167	-	-	46,319,334
Accounts receivable	414,797	16,905	-	-	431,702
Prepaid insurance	225,918	-	-	-	225,918
Inventories	83,644	-	-	-	83,644
Total assets	$ 43,202,524	8,277,469	60,797	388,424	51,929,214
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$ 238,896	15,656	27,646	10,878	293,076
Salaries and wages payable	274,376	-	-	-	274,376
Total liabilities	513,272	15,656	27,646	10,878	567,452
Fund Balances:					
Nonspendable	309,562	-	-	-	309,562
Restricted	-	-	-	-	-
Committed	35,892,855	4,846,566	-	-	40,739,421
Assigned	75,000	-	-	377,546	452,546
Unassigned	6,411,835	3,415,247	33,151	-	9,860,233
Total fund balances	42,689,252	8,261,813	33,151	377,546	51,361,762
Total liabilities and fund balances	$ 43,202,524	8,277,469	60,797	388,424	51,929,214

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Reconciliation of the Balance Sheet Fund Balances - Governmental Funds to the Statement of Net Position

June 30, 2022

Total Governmental Fund Balances	**$**	**51,361,762**
Amounts reported for governmental activities in the statement of net position are different because:		
The purchase of capital assets are reported as expenditures as they are incurred in the governmental funds. The statement of net position reports capital outlays as an asset of the District. These capital assets are depreciated over their estimated useful lives in the statement of activities and are not reported in the governmental funds.		**167,362,438**
Long-term liabilities that are not due and payable in the current period are not reported as a liability in the governmental funds. All liabilities - both current and long term - are reported in the statement of net position.		
Compensated absences payable		**(248,129)**
Net pension liability including deferred outflows and deferred inflows		**(5,743,298)**
Other postemployment benefits liablity including deferred outflows and deferred inflows		**(7,995,108)**
Total Net Position of Governmental Activities	**$**	**204,737,665**

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	Major Funds			Non-Major	
	General Fund	Special Construction Fund	West Shore Feasibility Study Fund	Other Funds	Total Governmental Funds
Revenues:					
Taxes	$ 14,103,940	-	-	-	14,103,940
State revenue sharing	394,566	-	-	-	394,566
Interest income	122,219	32,887	-	-	155,106
Unrealized loss on investments	(244,364)	(220,159)	-	-	(464,523)
Reimbursement from USACE	-	-	-	299,980	299,980
Miscellaneous	618,369	-	-	-	618,369
Total revenues	14,994,730	(187,272)	-	299,980	15,107,438
Expenditures:					
Executive	105,874	-	-	-	105,874
General and administrative	1,594,816	18,611	53,133	-	1,666,560
Levee maintenance	4,416,731	140,206	42,343	116,958	4,716,238
Police department	854,395	-	-	-	854,395
Levee construction	1,049,169	-	1,631,537	-	2,680,706
Capital outlay	83,939	-	-	-	83,939
Total expenditures	8,104,924	158,817	1,727,013	116,958	10,107,712
Excess (deficiency) of revenues over expenditures	6,889,806	(346,089)	(1,727,013)	183,022	4,999,726
Other Financing Sources (Uses):					
Operating transfers in	-	100,000	100,000	100,000	300,000
Operating transfers out	(300,000)	-	-	-	(300,000)
Total other financing sources (uses)	(300,000)	100,000	100,000	100,000	-
Net change in fund balances	6,589,806	(246,089)	(1,627,013)	283,022	4,999,726
Fund balances, beginning of year	36,099,446	8,507,902	1,660,164	94,524	46,362,036
Fund balances, end of year	$ 42,689,252	8,261,813	33,151	377,546	51,361,762

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	**$**	**4,999,726**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital asset additions		**1,715,476**
Depreciation expense		**(4,567,789)**
Governmental funds report changes in certain liabilities in the General Long-Term Debt Account Group, however, the changes affect costs in the statement of activities:		
Personnel cost decrease due to compensated absences		**(14,696)**
Pension expense net of retirement contributions		**543,678**
Adjustment for other postemployment benefits		**(339,588)**
Change in Net Position of Governmental Activities	**$**	**2,336,807**

See accompanying notes to the financial statements.

(1) Introduction

The Board of Levee Commissioners of the Pontchartrain Levee District (the District) was created by Louisiana Revised Statute 38:291. The District includes all or portions of the following parishes: East Baton Rouge, Iberville, Ascension, St. James, St. John the Baptist, and St. Charles. The District primarily provides flood protection for those areas in the District and is authorized to construct and maintain levees, levee drainage, pumps, pumping stations, drainage canals, sea wall, jetties, and breakwaters in the district to protect the lands from overflow and particularly from hurricane floodwaters and from inundation from tidewaters from the Gulf of Mexico. Members of the Board are appointed by the Governor in accordance with the provisions of Louisiana Revised Statute 38:304.

(2) Summary of Significant Accounting Policies

(a) Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

1. **Appointing a voting majority of an organization's governing body, and**
    a. **The ability of the State to impose its will on that organization and/or**
    b. **The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State.**
2. **Organizations for which the State does not appoint a voting majority but are fiscally dependent on the State.**
3. **Organizations for which the reporting entity financial statement would be misleading if data of the organization is not included because of the nature or significance of the relationship.**

Because the State of Louisiana, via the Governor, appoints all the members of the District's governing Board and has the ability to impose its will on the District, the District was determined to be a component unit of the State of Louisiana. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the State of Louisiana, the general government services provided by that government unit, or other governmental units that comprise the financial reporting entity.

(b) Basic Financial Statements - Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. There were no activities of the District categorized as business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with

a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

(c) Basic Financial Statements - Fund Financial Statements

The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain government functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds are ordered into three major categories: governmental, proprietary, and fiduciary, which are grouped by fund type in the financial statements. Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

(d) Eliminating Internal Activity

Interfund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The District has no business-type activities.

(e) Capital Assets

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Building, equipment, furniture and fixtures, and infrastructure are depreciated over their estimated useful lives using the straight-line method. Depreciation is not calculated on land, land improvements or construction in progress. Accumulated depreciation is recorded net of depreciable assets in the statement of net position.

(f) Program Revenues

The statement of activities presents two categories of program revenues – (1) charges for services and (2) capital grants and contributions.

Charges for services are revenues from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessment and include payments from exchange transactions with other governments. The District receives no fees for services.

Capital grants and contributions are resources that are restricted for operating purposes of a program. They include grants and contributions with restrictions that permit the resources to be used for programs operating of capital needs at the recipient government's discretion.

(g) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing and related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statement is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

(h) Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District report the following major governmental funds:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The find is presently being used to account for the construction of the levee system and pumping stations in the District.

West Shore Feasibility Study Fund

The West Shore Lake Pontchartrain Fund is used to account for expenditures made for the purpose of building and maintaining flood prevention measures in urban and residential areas on the east-bank of the Mississippi River in St. Charles, St. John the Baptist, and St. James Parishes.

(i) <u>Revenues – Exchange and Non-Exchange Transactions</u>

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay the liabilities of the current fiscal year. For the District, available means expected to be received within thirty-one days of the fiscal year-end. Under the modified accrual basis, only interest is both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

(j) <u>Revenues – Taxes</u>

Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. Ad valorem taxes are recorded in the year the taxes are received. If taxes were recorded when assessed the amount recorded would not be materially different from the amount actually recorded in the financial statements.

(k) <u>Expenses/Expenditures</u>

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

(l) <u>Other Financing Sources (Uses)</u>

In governmental fund accounting, transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses). In those cases where repayment is expected, the advances are accounted for through the various "due from" and "due to" accounts. These amounts are eliminated in the government-wide financial statements.

Proceeds from the issuance of bonds are accounted for as other financing sources in the governmental funds. These amounts are recorded as liabilities in the government-wide financial statements.

(m) <u>Property and Equipment</u>

Property and Equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or

cost to construct at the date of the contribution. Equipment includes all items valued above $5,000 and infrastructure includes the cost to construct and improve the pumps, pump stations and lock systems. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

Asset	Years
Automobiles	5
Equipment	5-10
Furniture and Fixtures	7
Buildings	40
Infrastructure	40-50

(n) Long-Term Obligations

Long-term obligations are reported at face value.

(o) Budget Policies

The budget practices of the District are prescribed by Louisiana Revised Statute 38:318. This statute requires the District to submit its annual budget to the Joint Legislative Committee on the Budget, no later than 90 days prior to the end of each fiscal year for the succeeding fiscal year for review.

The District prepares budgets for all its funds. The budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

Amendments to the budget must be approved by the Board of Commissioners.

Appropriations which are not expended lapse at year end.

(p) Encumbrances

Encumbrance accounting is not utilized by the District.

(q) Cash, Cash Equivalents, and Investments

Cash and cash equivalents include demand deposits in banks and the State Treasury. The caption "cash" on the statement of net position includes all cash on deposit at banks, including certificates of deposit with an original maturity of less than 90 days. If the original maturity exceeds 90 days, they are classified as investments.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investments, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Louisiana state law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the

market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The market value of the demand deposits and certificates of deposit is equal to their cost.

(r) Annual and Sick Leave

Employees accumulate annual and sick leave at various rates based on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is considered in computing the years of service for retirement benefit purposes. The liability for leave privileges at June 30, 2022, is estimated to be $248,129 which is recorded as a liability in the statement of net position.

(s) Compensatory Leave

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid compensatory leave earned. 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 compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer.

(t) Inventories

Inventories of fuel and mower parts are valued at the lower of cost or market and are recorded as expenditures at the time individual inventory items are purchased. The District uses a periodic inventory system and values its inventory using the first-in, first-out (FIFO) valuation method. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute available expendable resources even though they are a component of net position.

(u) Use of Estimates

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

(v) Fund Balance

In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components, as follows:

1. **Nonspendable - This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.**

2. **Restricted - This component consists of amounts that have constraints placed on them either externally by third parties (bond creditors) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.**

3. **Committed -This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.**

4. **Assigned - This component consists of amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed.**

5. **Unassigned - This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund.**

The District has no restricted fund balances as of June 30, 2022. As of June 30, 2022, fund balances committed to levee construction and maintenance amounted to $40,739,421, fund balances assigned to building maintenance amounted to $452,546, and the nonspendable fund balance amounted to $309,562.

The Board of Commissioners, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment by formal vote at a public board meeting. For assigned fund balance the Board of Commissioners authorizes management to assign amounts for a specific purpose.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use it is the District's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

(w) <u>Net Position</u>

In accordance with GASB Codification, net position is classified into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

1. **Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds,**

mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. **Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.**

3. **Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2021, and for the year then ended, the District did not have or receive any restricted net position.

(x) <u>New Accounting Pronouncements</u>

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of GASB No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District adopted this standard during the year and it had no affect on the District's financial statements.

(3) <u>Cash and Cash Equivalents</u>

At June 30, 2022, the District had cash and cash equivalents (book balances) totaling $4,868,616 which were demand deposits at various financial institutions. These deposits 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 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 June 30, 2022, the District has $4,987,839 in bank balances for cash deposits which is not necessarily equal to the balance sheet cash balance due to outstanding items. $3,615,153 of the bank balances are covered by FDIC Insurance, the remaining $1,372,686 of deposits are secured with pledged securities held by the District's agent in the District's name.

(4) Investments

Investments at June 30, 2022 are comprised of:

Investment	Percentage	Credit Rating	Fair Value
LAMP	68.7%	AAAm	$ 31,796,724
U.S. Treasury Notes	16.3%	AAA	7,561,878
Federal Agency Bonds	15.0%	AA+	6,960,732
Total	100%		$ 46,319,334

At June 30, 2022, future maturities of investments are as follows:

Investment	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	10+ Years
LAMP	$ 31,796,724	31,796,724	-	-	-
U.S. Treasury Notes	7,561,878	3,643,405	3,918,473	-	-
Federal Agency Bonds	6,960,732	3,642,763	3,317,969	-	-
	$ 46,319,334	39,082,892	7,236,442	-	-

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the District's investments per Louisiana Revised Statute 33:2955. The District does not have policies to further limit credit risk.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy states that the assets of the District shall be held in trust by the fiduciary designated by the District. For U.S. Treasury Obligations and U.S. Government Obligations state law provides these are backed by the full faith and credit of the United States of America.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District investment policy states that the bond portfolio may not hold more than 30% at cost of any single bond issue.

Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to political subdivisions does not address interest rate risk. In addition, the District manages its exposure to declines in fair values by permitting shifts along the yield curve and between sectors of the fixed income market.

The District's investment policy does not allow for funds contracted with an investment advisor, for management purposes, to exceed ten percent of the advisor's assets under management.

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.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, Certain External Investment Pools and Pool Participants. 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 sharesof 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, and consists of no securities mth a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM (to reset) and the WAM (to final) for LAMP's total investments was 18 days and 56 days, respectively, at June 30, 2022.**

- **Foreign currency risk: Not applicable.**

The investments in LAMP are stated at fair value. 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.

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. If you have any questions, please feel free to contact LAMP administrative office at 800-249-5267.

(5) Fair Value Measurements

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 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. The following investments are uninsured, unregistered and held by counterparty's trust department or agent not in the entity's name.

GASB Statement No. 72, Fair Value Measurement and Application, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.

(a) Level 1 inputs - the valuation is based on quoted market prices for identical assets or liabilities traded in active markets.
(b) Level 2 inputs - the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability.
(c) Level 3 inputs - the valuation is determined by using the best information available under the circumstances, might include the government's own data, but it should adjust the data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

Fair values of assets measured on a recurring basis at June 30, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
LAMP	$ 31,796,224	-	31,796,224	-
U.S. Treasury Notes	7,561,878	-	7,561,878	-
Federal Agency Bonds	6,960,732	-	6,960,732	-
Total	$ 46,319,334	-	46,319,334	-

(6) Property and Equipment

A summary of changes in capital assets is as follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Assets not being depreciated:				
Land	$ 1,131,628	1,159,504	-	2,291,132
Construction in progress	-	472,033	-	472,033
Total assets not depreciated	1,131,628	1,631,537	-	2,763,165
Assets being depreciated:				
Buildings	3,185,801	-	-	3,185,801
Equipment	4,472,194	83,939	-	4,556,133
Infrastructure	172,289,961	-	-	172,289,961
Total assets being depreciated	179,947,956	83,939	-	180,031,895
Total capital assets	181,079,584	1,715,476	-	182,795,060
Accumulated depreciation:				
Buildings	947,088	80,086	-	1,027,174
Equipment	3,448,299	180,454	-	3,628,753
Infrastructure	6,469,446	4,307,249	-	10,776,695
Total accumulated depreciation	10,864,833	4,567,789	-	15,432,622
Total capital assets, net	$ 170,214,751	(2,852,313)	-	167,362,438

The District recorded $4,567,789 of depreciation expense on its capital assets for the year ended June 30, 2022.

(7) Long-Term Obligations

A summary of changes in long-term liabilities follows:

Type of Debt	Balance 7/1/2021	Additions (Reductions)	Balance 6/30/2022	Amounts Due Within One Year
Compensated absences	$ 233,433	14,696	248,129	-
Other postemployment benefits payable	7,733,150	1,491,115	9,224,265	199,571
Net pension liability	7,895,676	(2,672,673)	5,223,053	-
	$ 15,862,259	(1,166,812)	14,695,447	199,571

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

Plan Description: The District's employees may participate in the State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the

authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.
There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2022. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

- **BCBS Pelican HRA**
- **BCBS Magnolia Local/Local Plus**
- **BCBS Magnolia Open Access**
- **Vantage Medical Home HMO**

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

- **BCBS Pelican HRA**
- **BCBS Magnolia Local/Local Plus**
- **BCBS Magnolia Open Access**
- **Vantage Medical Home HMO**
- **People's Medicare Advantage HMO**
- **Vantage Medicare Advantage HMO (Premium/Standard/Basic)**
- **BCBS Medicare Advantage HMO (varies by region)**
- **Humana Medicare Advantage HMO (varies by region)**
- **Via Benefits HRA**

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

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

Monthly rates effective January 1, 2022 are as follows:

		Pre-Medicare Member				Medicare Member		
Medical Plan		**Active Single**	**Member Only**	**Pre-65 Spouse**	**Medicare Spouse**	**Member Only**	**Pre-65 Spouse**	**Medicare Spouse**
Vantage Med Home HMO	$	822	1,533	1,174	321	507	1,347	402
People's MA HMO	$	N/A	N/A	N/A	N/A	170	N/A	170
BCBS Pelican HRA	$	491	914	700	184	297	801	237
BCBS Mag. Local Plus	$	786	1,467	1,123	307	485	1,288	385
BCBS Magnolia OA	$	817	1,520	1,164	306	494	1,332	394
BCBS Pelican HRA	$	491	914	700	184	297	801	237
Vantage MA HMO Prem.	$	N/A	N/A	N/A	N/A	187	N/A	187
Vantage MA HMO Std.	$	N/A	N/A	N/A	N/A	152	N/A	152
Vantage MA HMO Basic	$	N/A	N/A	N/A	N/A	72	N/A	72
BCBS MA HMO Reg. 1	$	N/A	N/A	N/A	N/A	157	N/A	157
BCBS MA HMO Reg. 2	$	N/A	N/A	N/A	N/A	200	N/A	200
BCBS MA HMO Reg. 3-4	$	N/A	N/A	N/A	N/A	180	N/A	180
BCBS MA HMO Reg. 5	$	N/A	N/A	N/A	N/A	210	N/A	210
BCBS MA HMO Reg. 6-8	$	N/A	N/A	N/A	N/A	255	N/A	255
BCBS MA HMO Reg. 9	$	N/A	N/A	N/A	N/A	195	N/A	195
Humana MA HMO Reg. 1	$	N/A	N/A	N/A	N/A	0	N/A	0
Humana MA HMO Reg. 2	$	N/A	N/A	N/A	N/A	162	N/A	162
Humana MA HMO Reg. 3	$	N/A	N/A	N/A	N/A	122	N/A	122
Humana MA HMO Reg. 4	$	N/A	N/A	N/A	N/A	162	N/A	162
Humana MA HMO Reg. 5	$	N/A	N/A	N/A	N/A	139	N/A	139
Humana MA HMO Reg. 6	$	N/A	N/A	N/A	N/A	199	N/A	199
Humana MA HMO Reg. 7	$	N/A	N/A	N/A	N/A	207	N/A	207
Humana MA HMO Reg. 8	$	N/A	N/A	N/A	N/A	188	N/A	188
Humana MA HMO Reg. 9	$	N/A	N/A	N/A	N/A	201	N/A	201

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

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

		Basic	**Supplemental Maximum**
Under age 65	$	5,000	50,000
Ages 65 to 70		4,000	38,000
After age 70		3,000	25,000

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

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

At June 30, 2022, the District reported a liability of $9,224,265 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date.

The District's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2021, the District's proportion was 0.1007%.

Actuarial Assumptions:

Valuation Date: **July 1, 2021.**

Measurement Date: **July 1, 2021.**

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

Discount Rate: **The discount rate used as of July 1, 2020 is 2.18% based on the June 30, 2021 S&P 20-year municipal bond index rate.**

Inflation Rate: **2.4%**

Salary Increases: **The rates of salary increase are consistent with the assumption used in the June 30, 2021 Louisiana State Employees' Retirement System Actuarial Valuation.**

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

Year	Medical and Drug Pre-65	Medical and Drug Post-65
2021-2022	7.00%	5.50%
2022-2023	7.00%	5.50%
2023-2024	6.75%	5.40%
2024-2025	6.50%	5.30%
2025-2026	6.25%	5.20%
2026-2027	6.00%	5.10%

2027-2028	5.75%	5.00%
2028-2029	5.50%	4.90%
2029-2030	5.25%	4.80%
2030-2031	5.00%	4.70%
2031-2032	4.75%	4.60%
Thereafter	4.50%	4.50%

The retiree contribution trend as the medical and drug trend.

This assumption has been revised since the prior year based on updated National Health Care Trend Survey information. The prior pre-65 trend decreased from an initial rate of 6.50% in FYE 2022 to an ultimate trend of 4.50% in FYE 2030. The prior post-65 trend decreased from an initial rate of 5.00% in FYE 2022 to an ultimate rate of 4.50% in FYE 2024.

Healthcare Claim Cost: **Per capita costs for the self-insured plans administered by BCBS were based on prescription drug claims for retired participants for the period January 1, 2020 through December 31, 2021 and medical claims for retired participants for the periods from January 1, 2019 through December 31, 2019 and from January 1, 2021 through December 31, 2021. The claims experience was trended to the valuation date.**

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2022 premiums adjusted to the valuation date using the trend assumptions above.

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

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

Plan	Without Medicare	With Medicare	Without Medicare	With Medicare
	Retirement Date Before 3/1/15		Retirement Date After 3/1/15	
Medical Home HMO	21,143	5,028	20,515	4,924
People's MA HMO	N/A	1,670	N/A	1,670
Vantage MA HMO	N/A	1,572	N/A	1,572
BCBS MA HMO	N/A	1,975	N/A	1,975
Humana MA HMO	N/A	1,051	N/A	1,051
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	13,619	2,848	13,619	2,848
BCBS Magnolia Local/Local Plus	20,875	3,600	20,039	3,494
BCBS Magnolia Open Access	20,906	3,201	19,968	3,122

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

Age Related Morbidity: **Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.**

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

Basis for Assumptions: **The actuary relied upon the assumptions used in the June 30, 2021 Louisiana State Employees' Retirement System, Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana pension valuations for the mortality, retirement, termination, disability, and salary scale assumptions.**

The assumptions used in the June 30, 2021 LASERS pension valuation were revised as of the June 30, 2019 valuation based on an experience study for the period July 1, 2013 through June 30, 2018.

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

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

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

Rates of Retirement: **The rates of retirement are consistent with the assumptions used in the June 30, 2021 pension valuations. The retirement rates for LASERS and TRSL include DROP rates. Sample rates are shown below.**

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

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

Age	Rate
40	0.10%
45	0.15%
50	0.22%
55	0.30%
60	0.00%

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

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

Participation Rate - Medical: **Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2017 through June 30, 2020. To be eligible for retiree coverage, the participant's coverage must be**

in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

Participation Rate - Life Insurance: **Future retirees are assumed to participate in the life insurance benefit at a 36% rate. Future retirees are assumed to elect a total of $45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect $2,000 of coverage.**

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

Medical Plan	Pre-Medicare %	Medicare %
BCBS Pelican HRA	5%	4%
BCBS Magnolia L/LP	80%	70%
BCBS Magnolia OA	10%	18%
Vantage Medical Home HMO	5%	2%
People's MA HMO		2%
Vantage MA HMO		1%
BCBS MA HMO		2%
Humana MA HMO		1%
Via Benefits HRA		0%

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

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

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

These assumptions are based on a review of experience from July 1, 2017 through June 30, 2020.
No divorce or remarriage after widowhood was reflected.

Medicare Eligibility: **99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at 7/1/2017 are assumed to become eligible for Medicare at age 65 at varying rates, based upon how soon they turn age 65, as follows:**

Turns Age 65 by	Medicare Eligibility %
7/1/2021	90%
7/1/2022	91%
7/1/2023	92%
7/1/2024	93%

7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

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

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

For LASERS and TRSL, 60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS.

50% of DROPS are assumed to return to active employment at the end of the DROP period.

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

- The discount rate has decreased from 2.66% to 2.18%.
- Baseline per capita costs were updated to reflect 2021 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

Required Supplementary Information

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

	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB liability	$ 10,818,644	9,224,265	7,964,325

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

	1% Decrease (5.75%)	Current Healthcare Cost Trend Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	$ 7,958,162	9,224,265	10,846,297

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

For the year ended June 30, 2022, the District recognized OPEB expense of $539,158. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB form the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 677,709	(412,362)
Changes in experience	185,269	(5,355)
Changes in proportionate share of collective OPEB Expense	756,181	(6,623)
Difference in proportionate share of ER and Actual	-	(165,233)
Contributions made subsequent to measurement date	199,571	-
	$ 1,818,730	(589,573)

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

Year ended:	
June 30, 2023	$ 222,873
June 30, 2024	$ 328,979
June 30, 2025	$ 334,862
June 30, 2026	$ 142,872

(9) Retirement System

Plan Description

Employees of the District are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding

of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

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

Retirement Benefits

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

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

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

regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

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

Deferred Retirement Benefits

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

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

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

Disability Benefits

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

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

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

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

Survivor's Benefits

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

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

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Employer 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.

The District's contractually required composite contribution rate for the year ended June 30, 2021 ranged from 7.5% to 8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $802,870 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of $5,223,053 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.09490%, which was a decrease of 0.00057% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of $366,173 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $106,982.

At June 30, 2022, the District 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	$ 5,159	-
Changes in assumptions	127,932	-
Net difference between projected and actual earnings on pension plan investments	-	(1,218,035)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	675	(238,846)
Employer contributions subsequent to measurement date	802,870	-
	$ 936,636	(1,456,881)

$802,870 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
June 30, 2023	$ (283,702)
June 30, 2024	$ (220,446)
June 30, 2025	$ (276,727)
June 30, 2026	$ (542,240)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021

Actuarial Cost Method	**Entry Age Normal**
Actuarial Assumptions:	
Expected Remaining Service Lives	**2 years**
Investment Rate of Return	**7.6% per annum, net of investment expenses**
Inflation Rate	**2.5% per annum**
Mortality	**Non-disabled members – Mortality rates for 2019 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.** **Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.**
Termination, Disability, and Retirement	**Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the System's members for 2019.**
Salary Increases	**Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:**

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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

**** The investment rate of return used in the actuarial valuation for funding purposes was 8.0%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.6%, which is the same as the discount rate. Therefore, the System's management concludes that the 7.6% discount is reasonable.***

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.0% for 2021. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total Fund	6.09%

Discount Rate

The discount rate used to measure the total pension liability was 7.4%. 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 assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the Net Pension Liability using the discount rate of 7.4%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.4%) or one percentage-point higher (8.4%) than the current rate:

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
Employer's proportionate share of the net pension liability	$ 7,076,842	5,223,053	3,645,712

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

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2022, the District had $62,294 of employee and employer contributions that were due to the pension plan.

(10) Infrastructure

The U.S. Army Corps of Engineers purchased the right-of-way from landowners which the levees now rest upon. Major maintenance to this mainline Mississippi River Levee falls under the Mississippi River & Tributaries project which Congress contributes annually to in the President's budget. The levees are along the corridor along the river. The District provides minor maintenance such as grass cutting along the east bank of the levee from East Baton Rouge Parish to St. Charles Parish which is approximately 115 miles long. The approximate cost of the levees as determined by the Corps of Engineers is $484,064 per mile for the total cost of $55,667,360. These levees provide vital protection to the large petro-chemical industries located along the river from the annual spring rise in river levels.

The Lake Pontchartrain, Louisiana and Vicinity Hurricane Protection Project was authorized by Public Law 298, 89th Congress, 1st Session, and approved on October 27, 1965. The St. Charles Parish portion of the project was fully constructed to the original authorized design providing Standard Project Hurricane protection from the Probable Maximum Hurricane. Following Hurricane Katrina, Congress authorized and funded the Hurricane and Storm Damage Risk Reduction System to reduce the risk associated with a storm surge event that a one percent chance of occurring in any given year, or a 100-year storm surge. The project includes approximately 9.5 miles of earthen levees, four drainage structures, five floodwalls and a railroad gate. Two pre-cast concrete access bridges were also constructed for access during construction and operation and maintenance. This project was completed in 2021.

(11) Grantors

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the state of Louisiana. Any disallowed claims, including amounts collected, may constitute a liability of the applicable funds.

(12) Property Taxes

Article 6, Section 39 of the 1974 Louisiana Constitution provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection and for all other purposes incidental thereto, the District may levy annually a tax not to exceed five mills. If the District needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors. The District has levied a tax of 3.52 mills.

(13) Judgements, Claims and Similar Contingencies

The District is a defendant in several lawsuits involving disputed land ownership and right-of-way. The estimate of the amount or range of loss is between approximately $4.5 million and $65 million. Per GASB Codification C50, legal counsel's opinion is that the potential loss is reasonably possible but not probable.

The West Shore Lake Pontchartrain project is located in southeast Louisiana on the east-bank of the Mississippi River in St. Charles, St. John the Baptist, and St. James Parishes in Southeast Louisiana. The West Shore Lake Pontchartrain Chief's report was published in June 2016 and the project has been included in the Bipartisan Budget Act of 2018.

The $760 million project is approximately 18.5 miles in length and includes 17.5 miles of levee, 1 mile of T-wall, 4 pumping stations, 2 drainage structures, and approximately 35 utility relocations. The project will also provide localized risk reduction measures focused in St. James Parish. The project will include mitigation to offset unavoidable environmental impacts. The scheduled completion date of the project is the third quarter of 2023. The District is the Non-Federal Sponsor of the project.

(14) Subsequent Events

The District evaluated subsequent events through September 9, 2022, the date which the financial statements were available to be issued.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund

For the Year Ended June 30, 2022

	Budget Amounts Original/ Final	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:			
Taxes	$ 12,887,537	14,103,940	1,216,403
State revenue sharing	240,100	394,566	154,466
Interest income	123,380	122,219	(1,161)
Unrealized loss on investments	-	(244,364)	(244,364)
Miscellaneous	-	618,369	618,369
Total revenues	13,251,017	14,994,730	1,743,713
Expenditures:			
Executive	142,110	105,874	36,236
General and administrative	1,813,510	1,594,816	218,694
Levee maintenance	5,246,300	4,416,731	829,569
Police department	978,850	854,395	124,455
Levee construction	1,440,100	1,049,169	390,931
Capital outlay	524,700	83,939	440,761
Total expenditures	10,145,570	8,104,924	2,040,646
Excess of revenues over expenditures	3,105,447	6,889,806	3,784,359
Other financing sources (uses)	(2,090,000)	(300,000)	1,790,000
Net change in fund balance	1,015,447	6,589,806	5,574,359
Fund balance, beginning	20,591,349	36,099,446	-
Fund balance, ending	$ 21,606,796	42,689,252	5,574,359

Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
Employer's proportion of net pension liability	**0.10031%**	**0.10448%**	**0.10448%**	**0.09774%**	**0.09786%**	**0.10300%**	**0.09547%**	**0.09490%**
Employer's proportionate share of net pension liability	**6,272,213**	**7,106,353**	**7,853,101**	**6,879,541**	**6,673,912**	**7,462,188**	**7,895,676**	**5,223,053**
Employer's covered-employee payroll	**1,720,421**	**1,963,747**	**1,891,992**	**1,853,653**	**1,780,250**	**1,944,594**	**2,003,498**	**1,850,295**
Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll	**365%**	**362%**	**415%**	**371%**	**375%**	**384%**	**394%**	**282%**
Plan fiduciary net position as a percentage of the total pension liability	**65%**	**63%**	**58%**	**63%**	**64%**	**63%**	**58%**	**73%**
Measurement date	**June 30, 2014**	**June 30, 2015**	**June 30, 2016**	**June 30, 2017**	**June 30, 2018**	**June 30, 2019**	**June 30, 2020**	**June 30, 2021**

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

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

See accompanying notes to required supplementary information.

Schedule of Employer's Pension Contributions

Last 10 Fiscal Years*

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	724,365	724,365	-	1,963,747	36.9%
2016	704,528	704,528	-	1,891,992	37.2%
2017	664,950	664,950	-	1,853,653	35.9%
2018	675,219	675,219	-	1,780,250	37.9%
2019	738,096	738,096	-	1,944,594	38.0%
2020	817,400	817,400	-	2,003,498	40.8%
2021	751,954	751,954	-	1,850,295	40.6%
2022	809,666	809,666	-	2,001,586	40.5%

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

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

See accompanying notes to required supplementary information.

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

Last 10 Fiscal Years

<u>Changes in Benefit Terms</u>:

Measurement Date: June 30, 2014:

1. **A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative System.**

2. **Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.**

Measurement Date: June 30, 2016:

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

2. **Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

Measurement Date: June 30, 2019:

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

<u>Changes in Assumptions</u>:

Measurement Date: June 30, 2017:

1. **The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2020.**

2. **The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

3. **The projected contribution requirement for fiscal year 2018/2020 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.**

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

Last 10 Fiscal Years

Measurement Date: June 30, 2018:

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

Measurement Date: June 30, 2019:

1. **In rate was reduced from 7.7% to 7.60.**
2. **The Board reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

Measurement Date: June 30, 2020:

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

Measurement Date: June 30, 2021:

1. **In accordance with the Board's adopted a plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.55% to 7.4.**

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

Last Ten Fiscal Years*

	2017	2018	2019	2020	2021	2022
Employer's proportion of total collective OPEB liability	0.0864%	0.0864%	0.0857%	0.0921%	0.0933%	0.1007%
Employer's proportionate share of total collective OBEB liability	7,835,298	7,505,241	7,316,074	7,112,023	7,733,150	9,224,265
Employer's covered-employee payroll	2,019,014	1,793,476	1,944,528	2,005,194	1,851,390	1,883,067
Employer's proportionate share of total collective OBEB liability as a percentage of its covered employee payroll	388.1%	418.5%	376.2%	355%	418%	490%
Measurement date	July 1, 2016	July 1, 2017	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021

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

See accompanying notes to required supplementary information.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

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

Last 10 Fiscal Years

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

Changes in Benefit Terms:

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

Changes in Assumptions:

Measurement Date: July 1, 2017:

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

Measurement Date: July 1, 2018:

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

Measurement Date: July 1, 2019:

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

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

Last 10 Fiscal Years

Measurement Date: July 1, 2020:

1. **The discount rate decreased from 2.79% to 2.66%.**

2. **Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, the actuaries do not believe this experience is reflective of what can be expected in future years. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future EGWP savings was increased, based on an analysis of recent EGWP experience. This further reduced the Plan's liability.**

3. **The actuaries rely upon the economic assumptions used in the June 30, 2020 actuarial valuations for the four Statewide Retirement Systems. Two of these systems, the Louisiana State Employee Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) have adopted new salary scale assumptions for the June 30, 2020 valuation. Economic assumptions were updated to reflect the updated salary scale assumptions.**

4. **Several demographic assumptions were updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.**
   a. **Medical participation rates have been decreased as follows:**

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

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

Measurement Date: June 30, 2021:

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

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

Last 10 Fiscal Years

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

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Combining Balance Sheet - Non-Major Funds

June 30, 2022

		St. Charles Urban Flood Control Fund	Amite River and Tributaries Fund	Total Non-Major Funds
Assets:				
Cash in banks	$	70,403	318,021	388,424
Investments		-	-	-
Accounts receivable		-	-	-
Prepaid insurance		-	-	-
Inventories		-	-	-
Total assets	$	70,403	318,021	388,424
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$	-	10,878	10,878
Salaries and wages payable		-	-	-
Total liabilities		-	10,878	10,878
Fund Balances:				
Nonspendable		-	-	-
Restricted		-	-	-
Committed		-	-	-
Assigned		70,403	307,143	377,546
Unassigned		-	-	-
Total fund balances		70,403	307,143	377,546
Total liabilities and fund balances	$	70,403	318,021	388,424

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Funds

For the Year Ended June 30, 2022

	St. Charles Urban Flood Control Fund	Amite River and Tributaries Fund	Total Non-Major Funds
Revenues:			
Taxes	$ -	-	-
State revenue sharing	-	-	-
Governmental	-	-	-
Interest income	-	-	-
Unrealized loss on investments	-	-	-
USACE reimbursement	-	299,980	299,980
Miscellaneous	-	-	-
Total revenues	-	299,980	299,980
Expenditures:			
Executive	-	-	-
General and administrative	-	-	-
Levee maintenance	-	116,958	116,958
Police department	-	-	-
Capital outlay	-	-	-
Total expenditures	-	116,958	116,958
Excess (deficiency) of revenues over expenditures	-	183,022	183,022
Other Financing Sources (Uses):			
Operating transfers in	-	100,000	100,000
Operating transfers out	-	-	-
Captial lease obligation payments	-		
Total other financing sources (uses)	-	100,000	100,000
Net change in fund balances	-	283,022	283,022
Fund balances, beginning of year	70,403	24,121	94,524
Fund balances, end of year	$ 70,403	307,143	377,546

ANNUAL FISCAL REPORT (AFR)
FOR 2022

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 09/06/2022 05:53 PM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	4,868,616.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	46,319,334.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	431,702.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	83,644.00
PREPAYMENTS	225,918.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	**$51,929,214.00**
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	2,291,132.00
BUILDINGS AND IMPROVEMENTS	2,158,627.00
MACHINERY AND EQUIPMENT	927,380.00
INFRASTRUCTURE	161,513,266.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	472,033.00
INTANGIBLE RIGHT-TO-USE LEASED ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$167,362,438.00**
TOTAL ASSETS	**$219,291,652.00**
DEFERRED OUTFLOWS OF RESOURCES	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED OUTFLOW OF RESOURCES	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00

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LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,818,730.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	936,636.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$2,755,366.00**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$222,047,018.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	567,452.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	0.00
OTHER CURRENT LIABILITIES	0.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	552,140.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$1,119,592.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	248,129.00
LEASE LIABILITY	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
TOTAL OPEB LIABILITY	8,672,125.00
NET PENSION LIABILITY	5,223,053.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL LONG-TERM LIABILITIES	**$14,143,307.00**
TOTAL LIABILITIES	**$15,262,899.00**
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00

ANNUAL FISCAL REPORT (AFR) FOR 2022

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
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SUBMITTAL DATE: 09/06/2022 05:53 PM

SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	589,573.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	1,456,881.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$2,046,454.00**
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	167,362,438.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	**$37,375,227.00**
TOTAL NET POSITION	**$204,737,665.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2022

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SUBMITTAL DATE: 09/06/2022 05:53 PM

STATEMENT OF ACTIVITIES

	PROGRAM REVENUES			
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	**NET (EXPENSE) REVENUE**
12,770,631.00	0.00	0.00	0.00	**$(12,770,631.00)**

GENERAL REVENUES	
PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	15,107,438.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	**$2,336,807.00**
NET POSITION - BEGINNING	**$202,400,858.00**
NET POSITION - RESTATEMENT	0.00
NET POSITION - ENDING	**$204,737,665.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2022

AGENCY: 20-14-14 - Pontchartrain Levee District

PREPARED BY: Robert Furman

PHONE NUMBER: 985-727-9924

EMAIL ADDRESS: rfurman@griffinandco.com

SUBMITTAL DATE: 09/06/2022 05:53 PM

DUES AND TRANSFERS

Account Type Amounts due from Primary Government	Intercompany (Fund)	Amount
	Total	**$0.00**

Account Type Amounts due to Primary Government	Intercompany (Fund)	Amount
	Total	**$0.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2022

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SUBMITTAL DATE: 09/06/2022 05:53 PM

SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
		0.00	0.00	0.00	$ 0.00	0.00
		Totals	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Series - Unamortized Premiums:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
			0.00	0.00	$ 0.00
		Totals	**$0.00**	**$0.00**	**$0.00**

Series - Unamortized Discounts:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
			0.00	0.00	$ 0.00
		Totals	**$0.00**	**$0.00**	**$0.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2022

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 09/06/2022 05:53 PM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
Premiums and Discounts	**$0.00**	
Total	**$0.00**	**$0.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2022

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PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 09/06/2022 05:53 PM

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 6/30/2021 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	199,571.00
Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits)	1,883,067.00
For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2021 - 6/30/2022). This information will be provided to the actuary for the valuation report early next year.	0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2022 for their OPEB valuation report.)

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

ANNUAL FISCAL REPORT (AFR)
FOR 2022

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PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 09/06/2022 05:53 PM

FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount
Total	**$0.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2022

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 09/06/2022 05:53 PM

SUBMISSION

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

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

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

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

GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Jessica S. Benjamin, Director
Racheal D. Alvey, Director

Members
American Institute of
Certified Public Accountants
Society of LA CPA's

Independent Auditors' Report

Pontchartrain Levee District
State of Louisiana
Lutcher, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, major funds, and aggregate remaining fund information of the Pontchartrain Levee District, (the District), as of and for the year then ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 9, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

2270 7th Street, Suite 1, Mandeville, LA 70471
Phone: (985) 727-9924 • Fax: (985) 727-9975

4900 Cypress Street, Suite 15, West Monroe, LA 71291
Phone: (318) 397-2472 • Fax: (318) 397-2402

www.griffinandco.com

identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

<u>Compliance and Other Matters</u>

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

<u>Purpose of this Report</u>

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

September 9, 2022

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Schedule of Findings and Management Corrective Action Plan

June 30, 2022

<u>Summary of Audit Results</u>:

1. **Type of Report Issued – Unmodified**

2. **Internal Control Over Financial Reporting**
   a. **Significant Deficiencies – No**
   b. **Material Weaknesses - No**

3. **Compliance and Other Matters – No**

4. **Management Letter - No**

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Status of Prior Year Findings

June 30, 2022

Not applicable