PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Financial Statements with Supplementary Information

June 30, 2024

(With Independent Auditors' Report Thereon)

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Table of Contents

Table of Contents

GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Michael R. Choate, CPA, Director

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Auditors' Report

Board of Commissioners of
Pontchartrain Levee District
Lutcher, Louisiana

Opinion

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, 2024, 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, 2024, 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.

205 E. Lockwood St.
Covington LA 70433
(985) 727-9924 Phone
(985) 727-9975 Fax

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
(225) 292-7434 Phone
(225) 293-3651 Fax

3711 Cypress St. #2
West Monroe, LA 71291
(318) 397-2472 Phone

www.griffinandco.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

<u>Auditors' Responsibilities for the Audit of the Financial Statements</u>

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.

<u>Other Matters</u>

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 7 and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Annual Financial Report Required by Division of Administration, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to 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 combining non-major fund financial statements, schedule of expenditures of federal awards, and Annual Financial Report Required by Division of Administration are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2024, 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

October 4, 2024

Covington, Louisiana

Management's Discussion and Analysis

June 30, 2024

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, 2024. This document focuses 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 $10,550,344 to $219,272,392 at June 30, 2024 from the June 30, 2023 amount of $208,722,048.**
- **The District recorded long-term debt for the other postemployment benefits (other than retirement benefits) liability for retiree's benefits in the amount of $6,845,549 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 2024 in accordance with GASB 68 in the amount of $6,174,224 as of June 30, 2024.**
- **During fiscal year 2024, 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 $9,270,511.**

Overview of the Basic Financial Statements

This discussion and analysis are 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, and the Special Construction 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:

		2024	2023	Change
Current assets	$	74,590,545	60,348,863	14,241,682
Capital assets, net of depreciation		159,823,137	163,390,108	(3,566,971)
Deferred outflows of resources		2,075,305	3,182,494	(1,107,189)
Total assets and deferred outflows of resources		236,488,987	226,921,465	9,567,522
Current liabilities		2,029,526	1,413,292	616,234
Long-term liabilities		13,019,773	14,305,770	(1,285,997)
Deferred inflows of resources		2,167,296	2,480,355	(313,059)
Total liabilities and deferred inflows of resources		17,216,595	18,199,417	(982,822)
Net position:				
Net investment in capital assets		159,823,137	163,390,108	(3,566,971)
Unrestricted		59,449,255	45,331,940	14,117,315
Total net position		219,272,392	208,722,048	10,550,344
Total liabilities and net position	$	236,488,987	226,921,465	9,567,522
Capital grants	$	1,896,483	-	1,896,483
General revenues:				
Property taxes		17,288,494	15,143,815	2,144,679
State revenue sharing		399,074	398,536	538
Other		3,657,926	2,016,881	1,641,045
Total general revenues		21,345,494	17,559,232	3,786,262
Total revenues		23,241,977	17,559,232	5,682,745
Expenditures		12,691,633	13,574,849	(883,216)
Change in net position	$	10,550,344	3,984,383	6,565,961

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 90 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 the fiscal years ending June 30, 2024 and June 30, 2025.

Capital Assets

As of June 30, 2024, the District had $159,823,137 (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 $1,115,849 of capital acquisitions and recorded $4,666,455 of depreciation.

Long Term Debt

The District has recorded compensated absences payable as of June 30, 2024 in the amount of $241,214, which represents a decrease of $1,305 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 $6,845,549 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 $6,174,224 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, 2024

Assets and Deferred Outflows of Resources

Assets:			
Cash and cash equivalents	$	742,371	
Investments		71,161,484	
Accounts receivable		2,380,144	
Prepaid insurance		258,166	
Inventories		48,380	
Property and equipment, net		159,823,137	
Total assets			234,413,682
Deferred outflows of resources			2,075,305
Total assets and deferred outflows of resources			$ 236,488,987

Liabilities, Deferred Inflows of Resources, and Net Position

Liabilities:			
Accounts payable	$	1,603,793	
Salaries and wages payable		184,519	
Accrued compensated absences		241,214	
Net pension liability		6,174,224	
Other postemployment benefits payable		6,845,549	
Total liabilities			15,049,299
Deferred inflows of resources			2,167,296
Net Position:			
Net investment in capital assets		159,823,137	
Unrestricted		59,449,255	
Total net position			219,272,392
Total liabilities, deferred inflows of resources, and net position			$ 236,488,987

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Statement of Activities

For the Year Ended June 30, 2024

	Expenses	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue & Changes in Net Position
Functions/Programs				
Governmental Activities:				
Levee maintenance	$ 12,691,633	-	1,896,483	(10,795,150)
Total General Government	12,691,633	-	1,896,483	(10,795,150)
General Revenues:				
Taxes				17,288,494
State revenue sharing				399,074
Interest income				2,870,253
Unrealized loss on investments				345,759
Miscellaneous				441,914
Total general revenues				21,345,494
Change in net position				10,550,344
Net position - beginning of the year				208,722,048
Net position - end of year				$ 219,272,392

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Balance Sheet

June 30, 2024

		Major Funds		Non-Major	
		General Fund	Special Construction Fund	Other Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$	359,659	127,151	255,561	742,371
Investments		62,688,656	8,472,828	-	71,161,484
Accounts receivable		1,705,447	51,122	623,575	2,380,144
Prepaid insurance		258,166	-	-	258,166
Inventories		48,380	-	-	48,380
Total assets	$	65,060,308	8,651,101	879,136	74,590,545
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	$	1,473,845	14,078	115,870	1,603,793
Salaries and wages payable		184,519	-	-	184,519
Total liabilities		1,658,364	14,078	115,870	1,788,312
Fund Balances:					
Nonspendable		306,546	-	-	306,546
Committed		36,020,643	4,846,565	600,000	41,467,208
Assigned		75,000	-	11,098	86,098
Unassigned		26,999,755	3,790,458	152,168	30,942,381
Total fund balances		63,401,944	8,637,023	763,266	72,802,233
Total liabilities and fund balances	$	65,060,308	8,651,101	879,136	74,590,545

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, 2024

Total Governmental Fund Balances	**$**	**72,802,233**
Amounts reported for governmental activities in the statement of net position are different because:		
The purchase of capital assets are reported as expenditures as they are incurred in the governmental funds. The statement of net position reports capital outlays as an asset of the District. These capital assets are depreciated over their estimated useful lives in the statement of activities and are not reported in the governmental funds.		**159,823,137**
Long-term liabilities that are not due and payable in the current period are not reported as a liability in the governmental funds. All liabilities - both current and long term - are reported in the statement of net position.		
Compensated absences payable		**(241,214)**
Net pension liability including deferred outflows and deferred inflows		**(5,379,433)**
Other postemployment benefits payable including deferred outflows and deferred inflows		**(7,732,331)**
Total Net Position of Governmental Activities	**$**	**219,272,392**

See accompanying notes to the financial statements.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2024

		Major Funds		Non-Major	
		General Fund	Special Construction Fund	Other Funds	Total Governmental Funds
Revenues:					
Taxes	$	17,288,494	-	-	17,288,494
State revenue sharing		399,074	-	-	399,074
Interest income		2,681,699	188,554	-	2,870,253
Unrealized loss on investments		190,025	155,734	-	345,759
Government income		1,896,483	-	-	1,896,483
Miscellaneous		94,591	-	-	94,591
Total revenues		22,550,366	344,288	-	22,894,654
Expenditures:					
Executive		132,729	-	-	132,729
General and administrative		1,797,213	17,550	59,396	1,874,159
Levee maintenance		4,792,375	164,117	63,707	5,020,199
Police department		839,454	-	-	839,454
Levee construction		488,346	-	-	488,346
Capital outlay		549,160	-	366,464	915,624
Total expenditures		8,599,277	181,667	489,567	9,270,511
Excess (deficiency) of revenues over expenditures		13,951,089	162,621	(489,567)	13,624,143
Other Financing Sources (Uses):					
Operating transfers in		-	200,000	1,033,549	1,233,549
Operating transfers out		(1,233,549)	-	-	(1,233,549)
Total other financing sources (uses)		(1,233,549)	200,000	1,033,549	-
Net change in fund balances		12,717,540	362,621	543,982	13,624,143
Fund balances, beginning of year		50,684,404	8,274,402	219,284	59,178,090
Fund balances, end of year	$	63,401,944	8,637,023	763,266	72,802,233

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, 2024

Net Change in Fund Balances - Total Governmental Funds	$	13,624,143
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		1,115,849
Depreciation expense		(4,666,455)
Loss on sale of asset		(16,365)
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		1,305
Pension expense net of retirement contributions		369,146
Adjustment for other postemployment benefits		122,721
Change in Net Position of Governmental Activities	$	10,550,344

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, particularly from hurricane floodwaters and 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 include:

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) <u>Measurement Focus, Basis of Accounting, and Financial Statement Presentation</u>

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 31 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

(h) <u>Governmental Funds</u>

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 fund is presently being used to account for the construction of the levee system and pumping stations in the District and is referred to as the Special Construction Fund in the governmental fund financial statements.

(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 31 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) Revenues – Taxes

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) Expenses/Expenditures

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) Other Financing Sources (Uses)

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) Property and Equipment

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 and cash equivalents" 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, 2024, is estimated to be $241,214 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, 2024. As of June 30, 2024, fund balances committed to levee construction and maintenance amounted to $41,467,208, fund balances assigned to building maintenance amounted to $86,098, and the nonspendable fund balance amounted to $306,546.

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) Net Position

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, 2024, and for the year then ended, the District did not have or receive any restricted net position.

(3) Cash and Cash Equivalents

At June 30, 2024, the District had cash and cash equivalents (book balances) totaling $742,371 which consisted of 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, 2024, the District has $2,220,829 in bank balances for cash deposits which is not necessarily equal to the balance sheet cash balance due to outstanding items. $363,637 of the bank balances are covered by FDIC Insurance and the remaining $1,857,192 of deposits are secured with pledged securities held by the District's agent in the District's name.

(4) Investments

Investments at June 30, 2024 are comprised of:

Investment	Percentage	Credit Rating	Fair Value
LAMP	74.00%	AAAm	$ 52,651,549
U.S. Treasury Bills	1.20%	AAA	847,265
U.S. Treasury Notes	20.10%	AAA	14,327,911
Federal Agency Bonds	4.70%	AA+	3,334,759
Total	100%		$ 71,161,484

At June 30, 2024, 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	$ 52,651,549	52,651,549	-	-	-
U.S. Treasury Bills	847,265	847,265	-	-	-
U.S. Treasury Notes	14,327,911	6,748,006	7,579,905	-	-
Federal Agency Bonds	3,334,759	-	3,334,759	-	-
	$ 71,161,484	60,246,820	10,914,664	-	-

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 10 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 shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.**

- **Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.**

- **Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with 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 43 days and 70 days, respectively, at June 30, 2024.**

- **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) <u>Fair Value Measurements</u>

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, 2024 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	$ 52,651,549	-	52,651,549	-
U.S. Treasury Bills	847,265	-	847,265	-
U.S. Treasury Notes	14,327,911	-	14,327,911	-
Federal Agency Bonds	3,334,759	-	3,334,759	-
Total	$ 71,161,484	-	71,161,484	-

(6) Property and Equipment

A summary of changes in capital assets is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Assets not being depreciated:				
Land	$ 2,291,132	-	-	2,291,132
Construction in progress	472,033	566,689	-	1,038,722
Total assets not depreciated	2,763,165	566,689	-	3,329,854
Assets being depreciated:				
Buildings	3,185,801	-	-	3,185,801
Equipment	5,224,749	549,160	33,859	5,740,050
Infrastructure	172,289,961	-	-	172,289,961
Total assets being depreciated	180,700,511	549,160	33,859	181,215,812
Total capital assets	183,463,676	549,160	33,859	184,545,666
Accumulated depreciation:				
Buildings	1,107,260	80,086	-	1,187,345
Equipment	3,882,364	279,120	17,494	4,143,991
Infrastructure	15,083,944	4,307,249	-	19,391,193
Total accumulated depreciation	20,073,568	4,666,455	17,494	24,722,529
Total capital assets, net	$ 163,390,108	(3,550,606)	16,365	159,823,137

The District recorded $4,666,455 of depreciation expense on its capital assets for the year ended June 30, 2024.

(7) Long-Term Obligations

A summary of changes in long-term liabilities follows:

Type of Debt		Balance 7/1/2023	Additions (Reductions)	Balance 6/30/2024	Amounts Due Within One Year
Compensated absences	$	242,519	(1,305)	241,214	-
Other postemployment benefits payable		6,790,025	55,524	6,845,549	227,035
Net pension liability		7,515,745	(1,341,521)	6,174,224	-
	$	14,548,289	(1,287,302)	13,260,987	227,035

(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, 2024. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

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

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

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

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

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, 2024 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
People's MA HMO	$	N/A	N/A	N/A	N/A	160	N/A	160
BCBS Pelican HRA	$	545	1,013	776	204	330	888	263
BCBS Mag. Local Plus	$	872	1,627	1,246	340	538	1,429	427
BCBS Magnolia OA	$	906	1,686	1,291	340	548	1,478	437
BCBS MA HMO Reg. 1	$	N/A	N/A	N/A	N/A	174	N/A	174
BCBS MA HMO Reg. 2	$	N/A	N/A	N/A	N/A	217	N/A	217
BCBS MA HMO Reg. 3-4	$	N/A	N/A	N/A	N/A	197	N/A	197
BCBS MA HMO Reg. 5-8	$	N/A	N/A	N/A	N/A	227	N/A	227
BCBS MA HMO Reg. 9	$	N/A	N/A	N/A	N/A	212	N/A	212
Humana MA HMO Reg. 1	$	N/A	N/A	N/A	N/A	34	N/A	34
Humana MA HMO Reg. 2	$	N/A	N/A	N/A	N/A	178	N/A	178
Humana MA HMO Reg. 3	$	N/A	N/A	N/A	N/A	145	N/A	145
Humana MA HMO Reg. 4	$	N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 5	$	N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 6	$	N/A	N/A	N/A	N/A	208	N/A	208
Humana MA HMO Reg. 7	$	N/A	N/A	N/A	N/A	224	N/A	224
Humana MA HMO Reg. 8	$	N/A	N/A	N/A	N/A	214	N/A	214
Humana MA HMO Reg. 9	$	N/A	N/A	N/A	N/A	204	N/A	204

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

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

		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, 2024, the District reported a liability of $6,845,549 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of that date.

The 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, 2023, the District's proportion was 0.0958%.

Actuarial Assumptions:

Valuation Date: July 1, 2023.

Measurement Date: July 1, 2023.

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

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

Inflation Rate: 2.40%

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

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

Year	Medical and Drug Pre-65	Medical and Drug Post-65
2023-2024	7.00%	6.50%
2024-2025	7.00%	6.50%
2025-2026	6.75%	6.25%
2026-2027	6.50%	6.00%
2027-2028	6.25%	5.75%
2028-2029	6.00%	5.50%
2029-2030	5.75%	5.25%
2030-2031	5.50%	5.00%
2031-2032	5.25%	4.75%
2032-2033	5.00%	4.50%
2033-2034	4.75%	4.50%
Thereafter	4.50%	4.50%

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

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

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

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

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

Plan	Without Medicare	With Medicare	Without Medicare	With Medicare
	Retirement Date Before 3/1/15		Retirement Date After 3/1/15	
Medical Home HMO	23,492	5,558	23,506	5,561
People’s MA HMO	N/A	1,554	N/A	1,554
BCBS MA HMO	N/A	2,040	N/A	2,040
Humana MA HMO	N/A	1,243	N/A	1,243
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,643	3,030	15,643	3,030
BCBS Magnolia Local/Local Plus	21,406	3,856	20,687	3,758

BCBS Magnolia Open Access	**21,808**	**3,478**	**20,993**	**3,404**

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

Age Related Morbidity: **Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and 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 Demographic Assumptions: **The actuary relied upon the assumptions used in the June 30, 2023 Louisiana State Employees' Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

No divorce or remarriage after widowhood was reflected.

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

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

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

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

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

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

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

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

Required Supplementary Information

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

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Proportionate Share of the Total Collective OPEB liability	**$ 7,910,664**	**6,845,549**	**5,991,521**

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

	1% Decrease (5.25%)	Current Healthcare Cost Trend Rate (6.25%)	1% Increase (7.25%)
Proportionate Share of the Total Collective OPEB liability	**$ 5,985,750**	**6,845,549**	**7,929,252**

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

For the year ended June 30, 2024, the District recognized an OPEB expense of $104,314. At June 30, 2024, 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	$ 431,554	(1,431,676)
Changes in experience	138,154	-
Changes in proportionate share of collective OPEB Expense	226,463	(319,001)
Difference in proportionate share of employer payments and actual payments	-	(159,311)
Contributions made subsequent to measurement date	227,035	-
	$ 1,023,206	(1,909,988)

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

Year ended:	
June 30, 2025	$ (289,029)
June 30, 2026	$ (474,524)
June 30, 2027	$ (328,463)
June 30, 2028	$ (21,801)

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

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

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

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

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

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

Deferred Retirement Benefits

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

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

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

Disability Benefits

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

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

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

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

Survivor's Benefits

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

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

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

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, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average

compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Cost-of-Living Adjustments

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

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (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, 2024 was 41.3% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were $869,991 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of $6,174,224 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 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, 2023, the District's proportion was 0.0922%, which was a decrease of 0.0072% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $929,514 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, $81,459.

At June 30, 2024, 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	$ 133,654	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,297	(257,307)
Differences between proportionate share of employer contributions and actual contributions	13,157	-
Employer contributions subsequent to measurement date	869,991	-
	$ 1,052,099	(257,307)

$869,991 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
June 30, 2025	$ (75,381)
June 30, 2026	$ (222,969)
June 30, 2027	$ 304,093
June 30, 2028	$ (80,942)

Actuarial Assumptions

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

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions: Expected Remaining	

Service Lives	**2 years**
Investment Rate of Return	**7.25% per annum, net of investment expenses**
Inflation Rate	**2.3% per annum**
Mortality	**Non-disabled members – The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement scale MP-2018.** **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.**
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	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

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

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

Asset Class	Long-term Expected Real Rate of Return
Cash	0.80%
Domestic equity	4.45%
International equity	5.44%
Domestic Fixed Income	2.04%
International Fixed Income	5.33%
Alternative Investments	8.19%
Total Fund	5.75%

Discount Rate

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension liability	$ 8,084,664	6,174,224	4,555,716

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, 2024, the District had $70,378 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, whose land 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 3.53 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 $4.8 million and $70 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 project will also provide localized risk reduction measures focused in St. James Parish, and include mitigation to offset unavoidable environmental impacts.

The project is approximately 18.5 miles in length and includes 17.5 miles of levee, 1 mile of T-wall, 2 pumping stations, drainage structures, and approximately 35 utility relocations. The original construction cost estimate was $760 million. As of June 2024, project construction cost estimates were increased to $3.7 billion due to changes in the project features, wetland mitigation, and increases in construction costs. The estimated completion date of the project is 2027.

(14) Subsequent Events

The District evaluated subsequent events through October 4, 2024, the date on 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, 2024

		Budget Amounts Original/ Final	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	$	15,143,793	17,288,494	2,144,701
State revenue sharing		267,300	399,074	131,774
Governmental		-	1,896,483	1,896,483
Interest income		1,165,596	2,681,699	1,516,103
Unrealized loss on investments		-	190,025	190,025
Miscellaneous		-	94,591	94,591
Total revenues		16,576,689	22,550,366	5,973,677
Expenditures:				
Executive		161,610	132,729	28,881
General and administrative		2,493,790	1,797,213	696,577
Levee maintenance		10,237,950	4,792,375	5,445,575
Police department		1,100,100	839,454	260,646
Levee construction		5,525,500	488,346	5,037,154
Capital outlay		672,500	549,160	123,340
Total expenditures		20,191,450	8,599,277	11,592,173
Excess of revenues over expenditures		(3,614,761)	13,951,089	17,565,850
Other financing sources (uses)		(2,739,060)	(1,233,549)	1,505,511
Net change in fund balance		(6,353,821)	12,717,540	19,071,361
Fund balance, beginning		35,579,996	50,684,404	-
Fund balance, ending	$	29,226,175	63,401,944	19,071,361

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Schedule of Employer's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of net pension liability	0.10031%	0.10448%	0.10448%	0.09774%	0.09786%	0.10300%	0.09547%	0.09490%	0.09942%	0.09224%
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	7,515,745	6,174,224
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	2,001,586	2,119,243
Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll	365%	362%	415%	371%	375%	384%	394%	282%	375%	291%
Plan fiduciary net position as a percentage of the total pension liability	65%	63%	58%	63%	64%	63%	58%	73%	64%	68%
Measurement date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023

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%
2023	868,996	868,996	-	2,119,243	41.0%
2024	869,991	869,991	-	2,071,599	42.0%

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

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

Changes in Benefit Terms:

Measurement Date: June 30, 2014

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

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

Measurement Date: June 30, 2016

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

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

Measurement Date: June 30, 2019

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

Measurement Date: June 30, 2021

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

Changes in Assumptions:

Measurement Date: June 30, 2017

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

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%.**

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

3. **The projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.**

Measurement Date: June 30, 2018

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

Measurement Date: June 30, 2019

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

Measurement Date: June 30, 2020

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

Measurement Date: June 30, 2021

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

Measurement Date: June 30, 2022:

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

Measurement Date: June 30, 2023:

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

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

Last Ten Fiscal Years*

	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of total collective OPEB liability	0.0864%	0.0864%	0.0857%	0.0921%	0.0933%	0.1007%	0.1006%	0.0958%
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	6,790,025	6,845,549
Employer's covered-employee payroll	2,019,014	1,793,476	1,944,528	2,005,194	1,851,390	1,883,067	1,992,577	2,008,934
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%	341%	341%
Measurement date	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023

* *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.

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

Last 10 Fiscal Years*

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes in Assumptions:

Measurement Date: June 30, 2019

1. **The discount rate was decreased from 3.5% to 2.21%.**

Measurement Date: June 30, 2020

1. **The discount rate was increased from 2.21% to 2.66%.**

2. **Mortality assumptions were changed from the RP-2014 table without projection to the following:**
   a. **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.**
   b. **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.**
   c. **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.**

3. **Healthcare cost trend rate assumptions that were changed from an expected rate of increase in medical cost is based on an annual rate of 5.5% for the first 10 years and 4.5% thereafter to the assumptions described above.**

4. **Termination rate assumptions were changed from an age-related turnover scale based on actual experience as described by administrative staff (approximately 13%) to rates consistent with pension valuation assumptions based on age and years of service (rates ranging from 50% to 5%).**

5. **Life insurance participation rates for future retirees was decreased from 52% to 36%.**

6. **Rates of salary increases were changed from an annual salary increase of 4% to the following:**

Years of Service	Increase
0	12.80%
5	4.90%
10	3.60%
15	3.20%
20	3.00%
25	3.00%
30	3.00%

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

Last 10 Fiscal Years*

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.**

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

Measurement Date: June 30, 2022

1. **The discount rate has increased from 2.18% to 4.09%.**

2. **Baseline per capita costs were updated to reflect 2022 claims and enrollment.**

3. **Medical plan election percentages were updated based on the coverage elections of recent retirees.**

Measurement Date: June 30, 2023

1. **The discount rate has increased from 4.09% to 4.13%.**

2. **Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.**

3. **Medical plan election percentages were updated based on the coverage elections of recent retirees.**

4. **The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).**

5. **The healthcare cost trend was updated.**

Changes in Benefit Terms:

There have been no changes in benefit terms.

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Funds

Combining Balance Sheet - Non-Major Funds

June 30, 2024

		St. Charles Urban Flood Control Fund	Amite River and Tributaries Fund	West Shore Feasibility Study Fund	Highway 22 Gapping Fund	Total Non-Major Funds
Assets:						
Cash and cash equivalent	$	5,403	5,695	202,331	42,132	255,561
Accounts receivable		-	-	-	623,575	623,575
Total assets	$	5,403	5,695	202,331	665,707	879,136
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	$	-	-	50,163	65,707	115,870
Total liabilities		-	-	50,163	65,707	115,870
Fund Balances:						
Committed		-	-	-	600,000	600,000
Assigned		5,403	5,695	-	-	11,098
Unassigned		-	-	152,168	-	152,168
Total fund balances		5,403	5,695	152,168	600,000	763,266
Total liabilities and fund balances	$	5,403	5,695	202,331	665,707	879,136

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, 2024

	St. Charles Urban Flood Control Fund	Amite River and Tributaries Fund	West Shore Feasibility Study Fund	Highway 22 Gapping Fund	Total Non-Major Funds
Revenues:					
Taxes	$ -	-	-	-	-
State revenue sharing	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
General and administrative	-	-	59,396	-	59,396
Levee maintenance	-	834	62,873	-	63,707
Capital outlay	-	-	366,464	-	366,464
Total expenditures	-	834	488,733	-	489,567
Deficiency of revenues over expenditures	-	(834)	(488,733)	-	(489,567)
Other Financing Sources (Uses):					
Operating transfers in	-	-	633,549	400,000	1,033,549
Total other financing sources (uses)	-	-	633,549	400,000	1,033,549
Net change in fund balances	-	(834)	144,816	400,000	543,982
Fund balances, beginning of year	5,403	6,529	7,352	200,000	219,284
Fund balances, end of year	$ 5,403	5,695	152,168	600,000	763,266

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year Ending June 30, 2024

Federal Grantor/Pass Through or Grantor/Program or Cluster Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Pass-Through Lousiana Office of Community Development			
Community Development Block Grant Mitigation	**14.228**	**B-18-DP-22.001**	**$ 920,539**
			$ 920,539

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this SEFA is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

1. **Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.**

2. **The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.**

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	742,371.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	71,161,484.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	2,380,144.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	48,380.00
PREPAYMENTS	258,166.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	**$74,590,545.00**
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
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	2,291,132.00
BUILDINGS AND IMPROVEMENTS	1,998,456.00
MACHINERY AND EQUIPMENT	1,596,060.00
INFRASTRUCTURE	152,898,767.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	1,038,722.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)	0.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$159,823,137.00**
TOTAL ASSETS	**$234,413,682.00**

DEFERRED OUTFLOWS OF RESOURCES

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	1,023,206.00
PENSION-RELATED	1,052,099.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$2,075,305.00**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$236,488,987.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	1,788,312.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER 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
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	227,035.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$2,015,347.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	241,214.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	6,618,514.00
NET PENSION LIABILITY	6,174,224.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

TOTAL NONCURRENT LIABILITIES	**$13,033,952.00**
TOTAL LIABILITIES	**$15,049,299.00**
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	1,909,988.00
PENSION-RELATED	257,308.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$2,167,296.00**
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	159,823,137.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	**$59,449,255.00**
TOTAL NET POSITION	**$219,272,392.00**

ANNUAL FISCAL REPORT (AFR) FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

STATEMENT OF ACTIVITIES

	PROGRAM REVENUES			
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	**NET (EXPENSE) REVENUE**
12,691,633.00	0.00	0.00	1,896,483.00	**$(10,795,150.00)**

GENERAL REVENUES	
PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	21,345,494.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	**$10,550,344.00**
NET POSITION - BEGINNING	**$208,722,048.00**
NET POSITION - RESTATEMENT - ERROR CORRECTION	0.00
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	**$219,272,392.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

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 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

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 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
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
2058	0.00	0.00
2059	0.00	0.00
Premiums and Discounts	**$0.00**	
Total	**$0.00**	**$0.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2023 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	227,035.00
Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits)	2,008,934.00
For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2023 - 6/30/2024). This information will be provided to the actuary for the valuation report early next year.	0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2024 for their OPEB valuation report.)

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

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

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

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

CHANGES IN ACCOUNTING PRINCIPLE

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

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

CHANGES IN REPORTING ENTITY

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

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

ANNUAL FISCAL REPORT (AFR)
FOR 2024

AGENCY: 20-14-14 - Pontchartrain Levee District
PREPARED BY: Robert Furman
PHONE NUMBER: 985-727-9924
EMAIL ADDRESS: rfurman@griffinandco.com
SUBMITTAL DATE: 10/04/2024 08:35 AM

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

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

Michael R. Choate, CPA, Director

American Society of Certified Public Accountants
Society of Louisiana CPAs

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

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 4, 2024.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

October 4, 2024

Covington, Louisiana

GRIFFIN & FURMAN LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Michael R. Choate, CPA, Director

American Society of Certified Public Accountants
Society of Louisiana CPAs

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

Board of Commissioners of
Pontchartrain Levee District
Lutcher, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pontchartrain Levee District (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and management's corrective action plan.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

205 E. Lockwood St.
Covington LA 70433
(985) 727-9924 Phone
(985) 727-9975 Fax

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
(225) 292-7434 Phone
(225) 293-3651 Fax

3711 Cypress St. #2
West Monroe, LA 71291
(318) 397-2472 Phone

www.griffinandco.com

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- **Exercise professional judgment and maintain professional skepticism throughout the audit.**
- **Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.**
- **Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.**

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

<u>Report on Internal Control over Compliance</u>

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of

deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Griffin & Furman, LLC

October 4, 2024

Covington, Louisiana

PONTCHARTRAIN LEVEE DISTRICT
STATE OF LOUISIANA

Schedule of Findings and Management Corrective Action Plan

June 30, 2024

Summary of Audit Results:

Financial Statements:

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**

Federal Awards:

1. **Internal control over major programs**
    a. **Significant deficiencies - No**
    b. **Material weaknesses - No**
2. **Type of report issued on compliance for major programs – Unmodified**
3. **Audit findings required to be reported in accordance with Uniform Guidance – No**
4. **Identification of major program:**

Name of Program	Assistance Listing No.	Expenditures
Community Development Block Grant Mitigation	14.228	$ 920,539

5. **Dollar threshold used to distinguish between Type A and Type B Programs - $750,000**
6. **Auditee qualified as low-risk auditee – No**

Status of Prior Year Findings

June 30, 2024

Not applicable