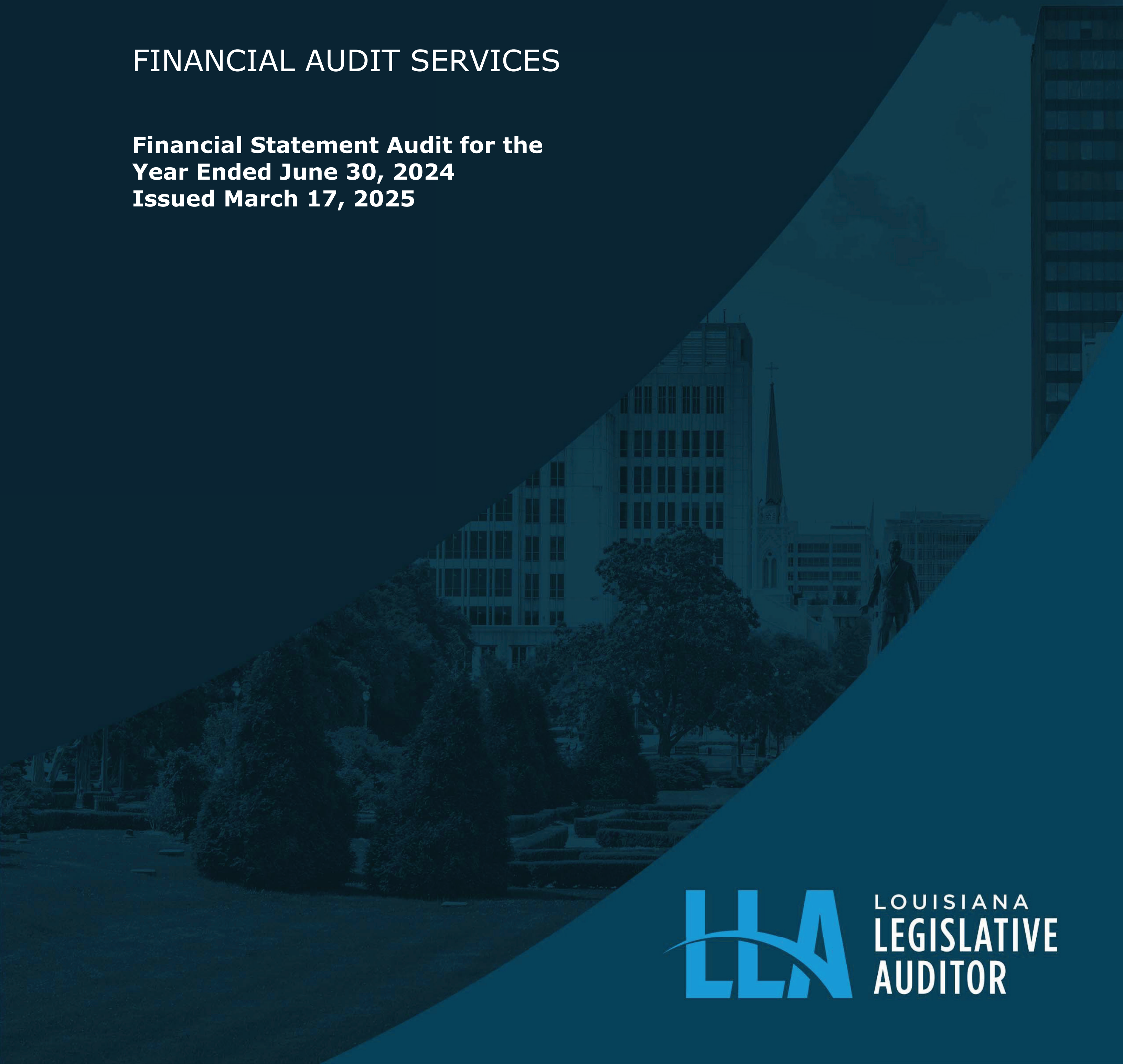
LAFITTE AREA INDEPENDENT LEVEE DISTRICT

A COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Financial Statement Audit for the
Year Ended June 30, 2024
Issued March 17, 2025**



LOUISIANA
LEGISLATIVE
AUDITOR

LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.lla.la.gov. When contacting the office, you may refer to Agency ID No. 10075 or Report ID No. 80240098 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of $0.98. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report		2
Management's Discussion and Analysis		6
Basic Financial Statements:		
Governmental Fund Balance Sheet / Statement of Net Position	A	14
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities	B	15
Notes to the Financial Statements		16
	Schedule	
Required Supplementary Information:		
Schedule of the District's Proportionate Share of the Net Pension Liability	1	32
Schedule of the District's Pension Contributions	2	33
	Exhibit	
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*	A	

February 28, 2025

Independent Auditor's Report

**LAFITTE AREA INDEPENDENT
LEVEE DISTRICT
STATE OF LOUISIANA**
Lafitte, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and General Fund of the Lafitte Area Independent Levee District (District), a component unit of the state of Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the District as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2024, the District adopted Government Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*.

As discussed in Note 8 to the financial statements, the fiscal year 2023 financial statements have been restated for the correction of errors.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 13, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 32, and the Schedule of the District's Pension Contributions on page 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

EE:CJH:RR:BQD:aa
LAILD 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of this section is to offer Management's Discussion and Analysis of the Lafitte Area Independent Levee District's (the District) financial performance during the year ended June 30, 2024. It should be read in conjunction with the financial report taken as a whole.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $79.6 million (net position). Of this amount, $76.6 million, or 96.2%, is invested in capital assets, such as land, construction in progress, vehicles and equipment, and infrastructure (levees and pump stations). The remaining balance of $3.0 million (unrestricted net position), or 3.8%, may be used to meet the government's ongoing obligations to citizens and creditors.

- The District's total net position increased by $13.2 million, or 19.8%, during the current year because total revenues exceeded total expenses by that amount and capital assets increased. The revenues of the District totaled $15.20 million, an increase of $2.24 million over last year. The major items leading to the increase were an increase of $4.96 million in capital grants [Coastal Protection and Restoration Authority (CPRA) and State Capital Outlay funds related to the levee and pump station projects] offset by a decrease of $2.77 million in operating grants [related to Federal Emergency Management Agency (FEMA) grants for emergency work related to hurricanes and CPRA grants on the levee projects]. The expenses of the District totaled $2.05 million, an increase of $1.27 million from last year. The increase was primarily in other costs (related to the write-off of prior year CPRA receivables) and in emergency costs (related to the 2021 Hurricane Ida work).

- The District's net pension liability at June 30, 2024, totaled $283,136, representing a decrease of $58,035 from last year.

- As of the close of the current fiscal year, the District's governmental fund (the General Fund) reported ending fund balance of $1.7 million, a decrease of $0.2 million, or 9.6%, in comparison with the prior year. $1.66 million, or 98.2%, of this total amount is available for spending at the government's discretion (unassigned fund balance). At the end of the current fiscal year, unassigned fund balance for the general fund was $1.66 million, or 9.8%, of total general fund expenditures and total fund balance of $1.7 million is 10.0% of total expenditures.

- The District has prided itself on operating on a "pay-as-you-go" basis and has not incurred any new debt for the past several years.

- Additions to Capital Assets totaled $15.1 million as the levee and pump station construction projects continue (with most of the current-year costs being spent on the Lower Lafitte (Orange Street) levee ($11.8 million) and the Rosethorne levee ($1.3 million).

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements are comprised of three parts: Management’s Discussion and Analysis (this section), the basic financial statements, and Required Supplementary Information.

The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The Statement of Net Position (page 14) presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources is net position and may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The Statement of Activities (page 15) presents information showing how the District's assets changed during the most recent fiscal year. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses a single fund to ensure and demonstrate compliance with finance related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's only fund, the general fund.

The District uses only one fund type, a governmental fund. The governmental fund is used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the statement of governmental fund revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

Notes to the Financial Statements

The notes (pages 16-30) provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's proportionate share of the net pension liability (Schedule 1, page 32) and the District's pension contributions (Schedule 2, page 33).

FINANCIAL ANALYSIS OF THE DISTRICT

A summary of the District's net position is as follows:

Comparative Statement of Net Position
As of June 30, 2024 and June 30, 2023

	2024	As Restated 2023	Change	Percent Change
Assets				
Current	$3,313,908	$4,226,899	($912,991)	(21.6%)
Capital assets, net	77,810,539	62,960,447	14,850,092	23.6%
Total assets	81,124,447	67,187,346	13,937,101	20.7%
Deferred outflows relating to pensions	47,273	80,113	(32,840)	(41.0%)
Liabilities				
Current liabilities	1,264,120	464,735	799,385	172.0%
Noncurrent liabilities	283,136	341,171	(58,035)	(17.0%)
Total liabilities	1,547,256	805,906	741,350	92.0%
Deferred inflows relating to pensions	9,612	964	8,648	897.1%
Net position				
Net investment in capital assets	76,566,111	62,516,016	14,050,095	22.5%
Unrestricted	3,048,741	3,944,573	(895,832)	(22.7%)
Total net position	$79,614,852	$66,460,589	$13,154,263	19.8%

Fiscal year 2023 current and capital assets, net; current liabilities; unrestricted net position; and related totals were restated to correct errors in construction-in-progress and related liabilities, as well as accounts receivable for due from federal government.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $79,614,852 at June 30, 2024. Total assets increased $13,937,101 as a result of construction-in-progress on various levees and pump stations (see net increase in capital assets of $14,850,092).

Included in the District's net position is its investment in capital assets totaling $76,566,111, which consists primarily of levee infrastructure and construction-in-progress reduced by liabilities payable for levee construction. These assets are not available for future spending.

The balance of unrestricted net position totaled $3,048,741, or 3.8%, and may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2024, the District is able to report positive fund balances in all categories of net position.

The District's net position increased by $13,154,263, or 19.8%, during the current fiscal year. A summary of the District's changes in net position is as follows:

Comparative Statement of Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and June 30, 2023

	2024	As Restated 2023	Change	Percent Change
Expenditures/Expenses				
Operating Services	$1,800,818	$529,883	$1,270,935	239.9%
Depreciation	246,039	246,460	(421)	(0.2%)
Total expenses	2,046,857	776,343	1,270,514	163.7%
Revenues				
Program revenues				
Operating grants and contributions	321,103	3,086,467	(2,765,364)	(89.6%)
Capital grants and contributions	14,691,740	9,735,256	4,956,484	50.9%
Total program revenues	15,012,843	12,821,723	2,191,120	17.1%
General revenues				
Taxes	162,135	158,775	3,360	2.1%
Miscellaneous	26,142	(18,800)	44,942	239.1%
Total general revenues	188,277	139,975	48,302	34.5%
Total revenues	15,201,120	12,961,698	2,239,422	17.3%
Change in net position	13,154,263	12,185,355	968,908	8.0%
Net position, beginning as restated	66,460,589	54,275,234	12,185,355	22.5%
Net position, ending	$79,614,852	$66,460,589	$13,154,263	19.8%

Fiscal year 2023 operating grants and contributions and fiscal year 2024 and 2023 beginning net position, as well as related totals, were restated to correct errors in operating grant revenue related to funds due from the federal government, a portion of which was earned in years prior to 2023.

The increase in net position was primarily the result of capital grants totaling $14,691,740 received from the CPRA and State Capital Outlay for levee construction. Overall, program revenues increased by $2,191,120, primarily due to an increase in capital grants of $4,956,484 related to these levee construction projects, offset by a decrease in operating grants of $2,765,364 related to a reduction in emergency response related operating grants. Expenses totaled $2,046,857, which was an increase of $1,270,514. This increase was caused primarily from the write-off of some prior-year receivables from the CPRA that were deemed uncollectible (an increase of $1,089,573 in other expenses) and an increase of $217,485 in emergency work (related to Hurricane Ida).

General Revenues increased slightly up $48,302, primarily from a change in the loss on the disposal of assets (loss incurred last year did not recur this year).

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's "governmental funds" is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the District's governmental fund (i.e., the General Fund) reported ending fund balance of $1,686,384, a decrease of ($178,520), or 9.6%, in comparison with the prior year. $1,655,688, or 98.2%, of this total constitutes unassigned fund balance, which is available for spending at the government's discretion.

As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represents 9.8% and 10.0%, respectively, of total general fund expenditures with the capital grant expenditures included.

As noted above, the governmental funds include the general operating funds of the District (i.e., the General Fund). General Fund revenues totaled $16,713,854 for 2024. Overall, revenues of the Governmental Funds increased $5,163,335 over the past year. This was primarily due to an increase of $4,956,484 in capital grants (related to the levee and pump station construction projects). Property taxes were up slightly, but were nearly the same as last year.

Expenditures totaled $16,892,374. The majority of costs were realized in the capital outlay area ($15,096,131 – related to the ring levee and drainage pump projects), other expenditures ($1,162,145 – related to the write-off of prior-year CPRA receivables), personal services and related benefits ($292,985 – made up of salaries, payroll taxes, pension benefits, health insurance, etc.), and hurricane and tropical storm expenditures ($253,321 – mostly related to Hurricane Ida). Overall, expenditures increased $7,211,149 over last year, as restated, primarily due to increases in capital outlay (up $5,931,946, as restated for levee construction expenditures), hurricane expenditures (up $217,485), and other expenditures (up $1,089,573).

GENERAL FUND BUDGETARY HIGHLIGHTS

State statutes do not require the adoption of a formal operating budget; however, for management purposes, the District does adopt an "in-house" budget. Since the budgetary reports are not required to be included in the financial statements, no additional discussion is provided on them.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets for its governmental activities as of June 30, 2024, amounts to $76,566,111 (net of accumulated depreciation and related debt). This investment in capital assets includes land, furniture and fixtures, heavy equipment, vehicles, construction in progress, and infrastructure – levees and pump stations. The District's net investment in capital assets increased by $14,050,095, or 22.5%, this year.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
(NET OF DEPRECIATION AND RELATED DEBT)

	Governmental Activities 2024	As Restated Governmental Activities 2023
Land	$534,887	$534,887
Construction in progress	69,231,321	54,135,190
Infrastructure - levee/drainage system	8,005,684	8,238,618
Machinery and equipment	8,811	11,971
Office furniture, equipment, and vehicles	29,836	39,781
Total	77,810,539	62,960,447
Less: payables for levee construction	(1,244,428)	(444,431)
Net Investment in Capital Assets	$76,566,111	$62,516,016

Major capital asset events during the current fiscal year included the following:

- $15,096,131 was spent on construction in progress – ring levees and drainage pump stations (with most of the current year costs being spent on the Lower Lafitte (Orange Street) levee ($11.8 million) and the Rosethorne levee ($1.3 million)).
- $246,039 was recognized as depreciation expense in 2024.
- Fiscal year 2023 construction in progress, payables for levee construction, and related totals were restated to correct errors in construction-in-progress and related liabilities.

Additional information on the District's capital assets can be found in the notes to the financial statements.

Debt Administration

Keeping with the District's longstanding policy of funding operations currently, the District had no long-term debt at year-end. State statutes limit the amount of general obligation debt a governmental unit may issue to 20% of its total assessed valuation. The District has no outstanding debt subject to this limitation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for the Parish of Jefferson is currently 4.1%, which is 0.1% higher than it was a year ago. In the fishing community of Jean Lafitte, which is dependent on offshore oil and commercial fisheries (primarily shrimping), the rate tends to be higher.

- Inflationary trends in the region compare favorably to national indices.

- The ad valorem millage rate levied for the 2025 (next year's) tax roll is being "rolled back" from 5.790 mills down to 4.170 mills due to it being a reassessment year and the District being unable to "roll forward" its millage rate because it does not have a "full board" appointed by the state. This prevents it from having the required "super majority" needed for a "roll forward." Despite the rollback of the rate, it is expected that the property tax revenues will remain at or near what they were in 2024.

- Ongoing capital projects and the related federal and/or state funding for those projects is expected to continue.

All of these factors were considered in preparing the District's budget for the 2024-25 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Timothy Kerner Jr., President, 799 Jean Lafitte Blvd, Jean Lafitte, LA 70067.

Statement A

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA

Governmental Fund Balance Sheet/
Statement of Net Position
June 30, 2024

	General Fund	Adjustments*		Statement of Net Position
ASSETS				
Cash (note 2)	$2,243,842			$2,243,842
Receivable - Louisiana Coastal Protection and Restoration Authority grants	670,772			670,772
Due from federal government	368,598			368,598
Employee Advances	270			270
Prepaid insurance	30,426			30,426
Noncurrent Assets:				
Capital assets, net of accumulated depreciation (note 3)		$77,810,539	A	77,810,539
TOTAL ASSETS	3,313,908	77,810,539		81,124,447
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions (note 4)		47,273	B	47,273
LIABILITIES				
Accrued salaries payable	14,498			14,498
Liabilities payable for levee construction	1,244,428			1,244,428
Compensated absences (note 5)		5,194	C	5,194
Noncurrent liabilities:				
Net pension liability (note 4)		283,136	C	283,136
TOTAL LIABILITIES	1,258,926	288,330		1,547,256
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to due from federal government	368,598	(368,598)	D	
Deferred inflows related to pensions (note 4)		9,612	B	9,612
FUND BALANCE/NET POSITION				
Nonspendable	30,696	(30,696)		
Unassigned	1,655,688	(1,655,688)		
TOTAL FUND BALANCE	1,686,384			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	**$3,313,908**			
Net investment in capital assets		76,566,111		76,566,111
Unrestricted		3,048,741		3,048,741
TOTAL NET POSITION		**$79,614,852**		**$79,614,852**

*Explanations
(A) Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the General Fund.
(B) Deferred outflows and inflows of resources relating to pensions are not available to pay for current-period expenditures; therefore, they are not reported in the General Fund.
(C) Liabilities for the compensated absences and net pension liability are not due and payable from current financial resources; therefore, they are not reported in the General Fund.
(D) Deferred inflows of resources in the General Fund relating to unavailable revenues that are recognizable as revenues in the Statement of Activities, are not reported as deferred inflows of resources in the Statement of Net Position.

The accompanying notes are an integral part of this statement.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities
For the Year Ended June 30, 2024

	General Fund	Adjustments*		Statement of Activities
EXPENDITURES/EXPENSES				
Personal services and related benefits	$292,985	$4,575	A	$297,560
Professional services	37,035			37,035
Operating services	46,159			46,159
Repairs and maintenance	4,598			4,598
Capital outlay (note 3)	15,096,131	(15,096,131)	B	
Depreciation (note 3)		246,039	B	246,039
Hurricane and tropical storm expenditures	253,321			253,321
Other	1,162,145			1,162,145
Total expenditures/expenses	16,892,374	(14,845,517)		2,046,857
PROGRAM REVENUES				
Operating grants and contributions	1,849,765	(1,528,662)	C	321,103
Capital grants and contributions	14,691,740			14,691,740
Total program revenues	16,541,505	(1,528,662)		15,012,843
NET PROGRAM REVENUES				12,965,986
GENERAL REVENUES				
Property taxes	162,135			162,135
Miscellaneous	10,214	15,928	D	26,142
Total general revenues	172,349	15,928		188,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(178,520)	178,520		
CHANGE IN NET POSITION		13,154,263		13,154,263
FUND BALANCE/NET POSITION				
Beginning of the year, as restated (note 8)	1,864,904	64,595,685		66,460,589
End of the year	**$1,686,384**	**$77,749,948**		**$79,614,852**

*Explanations
(A) Expenses of long-term obligations for pension liabilities and compensated absences reported in the Statement of Activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the General Fund.
(B) Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount of capital outlays not meeting the capitalization threshold is reported as an expense (i.e., supplies).
(C) Revenues that were recognizable in the Statement of Activities in prior periods that provide current financial resources are reported as revenues in the General Fund.
(D) Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the General Fund.

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Lafitte Area Independent Levee District (District), a component unit of the state of Louisiana, was created under the provisions of Louisiana Revised Statute (R.S.) 38:291(Y). The District is domiciled in the Town of Jean Lafitte, Louisiana, and provides flood protection through the construction and maintenance of levees and drainage for those areas contained within its boundaries - Crown Point, Jean Lafitte, and unincorporated areas of Lafitte and Barataria. The District is managed by a board of commissioners composed of five members who are appointed by the governor of the state of Louisiana.

The Commissioners, as authorized by R.S. 38:308(A), have fixed the per diem of its members at an amount not to exceed 75% of the rate allowable for per diem deductions pursuant to 26 USC 162(h)(1)(B)(ii) (i.e., the federal GSA rates). By a 2/3rds vote of the Board, the per diem rate was set in 2017 at $156.25 per meeting. This per diem is paid to attend meetings or conduct board-approved business. Such per diem shall be payable for up to 36 days per year. In accordance with R.S. 38:308(A), in lieu of the per diem provision, the president of the Board receives a salary of $1,000 per month, as he also acts as administrator for the Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the state of Louisiana. The District is considered a discrete component unit of the state of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and can impose his will on the District. The accompanying financial statements present only the activity of the District. Annually, the state of Louisiana issues basic financial statements that include the activity contained in the accompanying financial statements. The state of Louisiana financial statements are audited by the Louisiana Legislative Auditor.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major fund). The government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general fund is classified as governmental activities.

The Governmental Fund Balance Sheet/Statement of Net Position is presented on a consolidated basis; however, the general fund includes only current financial resources available to pay for current-period expenditures and liabilities payable in the current period. Noncurrent resources and liabilities (e.g., capital assets, net pension obligations) are not reported in the general fund.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is presented on a consolidated basis. Expenses of long-term obligations do not require the use of current financial resources and are not reported as expenditures in the general fund. In addition, the cost of capital outlays is allocated over their estimated useful lives as depreciation expense. The amount of capital outlays not meeting the capitalization threshold is reported as an expense (i.e., supplies).

Policies specific to the government-wide statements are as follows:

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond two years and exceed $1,000 in cost are capitalized. Infrastructure assets such as levees, roads, and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position.

Program Revenues

The Statement of Activities presents two categories of program revenues: operating grants and contributions and capital grants and contributions. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

D. FUND FINANCIAL STATEMENTS

The District uses its general fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category, governmental. Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include the general fund, which accounts for all activities not required to be reported in another fund.

E. BASIS OF ACCOUNTING

The accompanying government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund, and long-term obligations are reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principal and interest paid on long-term debt is reported as current expenses; however, the District has no long-term debt.

F. BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund. The operating budget is prepared based on the prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by 5% or more and/or projected expenditures are expected to be more than budgeted amounts by 5% or more.

G. CASH AND INVESTMENTS

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Currently, the District has no investments with maturities less than 90 days.

Investments are limited by R.S. 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In addition, the District may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings. Currently, the District has no investments.

H. CAPITAL ASSETS

The District's assets are recorded at historical cost or estimated historical cost if actual is not available. Donated fixed assets are recorded at their estimated fair value on the date of donation. The District's policy is to capitalize assets with an original cost of $1,000 or more. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

	Years
Buildings/improvements	10 - 20
Infrastructure	20 - 50
Machinery/equipment	3 - 10
Furniture/office equipment	3 - 10

I. COMPENSATED ABSENCES AND POSTEMPLOYMENT HEALTH CARE BENEFITS

In June 2022, the Board adopted Resolution 418, which provides that each regular employee upon approaching his or her anniversary date is eligible for vacation leave. After one year of continuous service, the employee accrues one week (or 40 hours) of vacation leave. After two years of continuous service, the employee accrues two weeks (or 80 hours) of vacation leave. A maximum of fourteen days (or 112 hours) may be carried over from year to year. The amount of accrued hours available to each employee at year-end multiplied by their hourly rate is accrued as compensated absences on the Statement of Net Position.

The District does not provide postemployment health care benefits.

J. NONCURRENT LIABILITIES

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

K. FUND BALANCE

The District reports unassigned and nonspendable fund balance. Unassigned fund balance represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form (e.g., prepayments).

L. NET POSITION

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

(a) *Net investment in capital assets* consists of the District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to acquisition, construction, or improvement of these capital assets.

(b) *Unrestricted* consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets. Unrestricted net position is used for transactions relating to the general operations of the District and may be used at its discretion to meet current expenses and for any purpose.

M. PROPERTY TAXES

Article 6, Section 39 of the Louisiana Constitution of 1974 provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto, the District may levy annually a tax. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. They are levied in November, billed in December, and become delinquent on January 1 of the following year.

N. USE OF ESTIMATES

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

O. ADOPTION OF NEW ACCOUNTING STANDARDS

GASB Statement No. 100, *Accounting Changes and Error Corrections*, was issued in June 2022 and is effective for fiscal years beginning after June 15, 2023. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The adoption of this statement did have an impact on the District's financial statements, and the impacts are reflected in Note 8 as restatements to the District's June 30, 2023 fund balance and net position.

2. CASH

At June 30, 2024, the District has cash (book balances) of $2,243,842 in demand deposits.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Under state law, the District's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 District or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2024, the District had collected bank balances totaling $2,243,842, which was completely collateralized by federal deposit insurance and pledged securities.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance at June 30, 2023	Prior Period Adjustment	Restated Balance June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets not being depreciated:						
Land	$534,887		$534,887			$534,887
Construction in progress	54,119,088	$16,102	54,135,190	$15,096,131		69,231,321
Total capital assets not being depreciated	54,653,975	16,102	54,670,077	15,096,131	NONE	69,766,208
Capital assets being depreciated:						
Infrastructure	11,646,798		11,646,798			11,646,798
Furniture/office equipment/vehicle	51,827		51,827			51,827
Machinery and equipment	94,149		94,149			94,149
Total capital assets being depreciated	11,792,774	NONE	11,792,774	NONE	NONE	11,792,774
Less accumulated depreciation:						
Infrastructure	(3,408,180)		(3,408,180)	(232,934)		(3,641,114)
Furniture/office equipment/vehicle	(12,046)		(12,046)	(9,945)		(21,991)
Machinery and equipment	(82,178)		(82,178)	(3,160)		(85,338)
Total accumulated depreciation	(3,502,404)	NONE	(3,502,404)	(246,039)	NONE	(3,748,443)
Capital assets net	$62,944,345	$16,102	$62,960,447	$14,850,092	NONE	$77,810,539

4. PENSIONS

General Information about the Pension Plan

Plan Description

The District is a participating employer in a state public employee retirement system, LASERS. LASERS has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by LASERS to the State Legislature. LASERS issues a public report that includes financial statements and required supplementary information. A copy of the report may be obtained at www.lasersonline.org. At June 30, 2024, the District had two active employees and no retirees as members in LASERS.

LASERS Retirement Benefits

The LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-417. Act 992 of the 2010 Regular Legislative Session closed existing sub-plans for members hired before January 1, 2011, and created new sub-plans for regular members, hazardous duty members, and judges. Act 226 of the 2014 Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. The age and years of creditable service required for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer, and job classification. The computation of retirement benefits is defined in R.S. 11:444.

All of the District's members are regular plan members hired from July 1, 2006, through June 30, 2015, and may retire with full benefits at age 60 upon completing five years of creditable service. Additionally, all regular plan members may choose to retire with 20 years of creditable service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for regular plan members is equal to 2.5% of average compensation multiplied by the number of years of creditable service, generally not to exceed 100% of average compensation. Average compensation for regular plan members is defined in R.S. 11:403 as the member's average annual earned compensation for the highest 60 consecutive months of employment for members employed on or after July 1, 2006. A member leaving service before attaining minimum retirement age but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. Generally, active regular plan 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 retirement age, the disability retiree may receive a regular retirement benefit by making application to the LASERS Board of Trustees.

Survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased regular plan 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 minimum service credits for a surviving spouse include active service at the time of death and a minimum of 10 years of service credit with two years being earned immediately prior to death, or a minimum of 20 years regardless of when earned. In addition, the deceased regular plan member's spouse must have been married for at least one year before death.

DROP/IBO

LASERS has established 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 up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP and terminating employment, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement a lump-sum initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of ad hoc permanent benefit increases, also known as cost of living adjustments (COLAs), which are funded through investment earnings when recommended by the retirement system board of trustees and approved by the Legislature. LASERS has established an Experience Account to fund permanent benefit increases for retirees. These ad hoc COLAs are not considered substantively automatic.

Contributions

Employee contribution rates are established by R.S. 11:62. Employer contribution rates are established annually under R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the respective pension system actuary. Employer contribution rates are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. LASERS sub-plan pays a separate actuarially-determined employer contribution rate. However, all assets of the pension plan are used for the payment of benefits for all classes of members, regardless of their sub-plan membership.

Employer contributions to LASERS for fiscal year 2024 totaled $39,445, with regular plan active member contributions of 8%, and employer contributions of 41.30% of covered payroll. The proportionate share of Legislative Acts contributions to LASERS totaled $15,928, and were recognized as revenue in fiscal year 2024 by the District.

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 $283,136 under LASERS for its proportionate share of the collective Net Pension Liability (NPL). The NPL for LASERS was measured as of June 30, 2023, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The District's proportion of the NPL were based on projections of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. The District's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2023, by the fiscal year 2024 employer actuarially-required contribution rates. As of June 30, 2023, the most recent measurement date, the District's proportion and the change in proportion from the prior measurement date were 0.00423%, or a decrease of 0.00028%, for LASERS.

For the year ended June 30, 2024, the District recognized a total pension expense of $38,826 for the defined benefit plan. 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	$6,129	
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	1,619	
Changes in proportion and differences between employer contributions and proportionate share of contributions	80	($9,612)
Employer contributions subsequent to the measurement date	39,445	
Total	$47,273	($9,612)

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 LASERS NPL in the year ended June 30, 2025. 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	Amount
2025	($1,792)
2026	(10,225)
2027	13,945
2028	(3,712)
	($1,784)

Actuarial Assumptions and Methodologies

The total pension liabilities for LASERS in the June 30, 2023, actuarial valuations were determined using the following actuarial assumptions and methodologies:

	LASERS
Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Approach	Closed
Expected Remaining Service Lives	2 years
Investment Rate of Return (discount rate)	7.25%, net of investment expense
Inflation Rate	2.3% per annum
Mortality Rates	General active members: RP-2014 Blue Collar Employee tables, adjusted by 0.978 for males and 1.144 for females General retiree/inactive members (males): RP-2014 Blue Collar Healthy Annuitant table, adjusted by 1.280 General retiree/inactive members (females): RP-2014 White Collar Healthy Annuitant table, adjusted by 1.417 Mortality assumptions for non-disabled members include improvement projected on a fully generational basis using the MP-2018 Mortality Improvement Scale. Disabled retiree members: RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, with no projection for improvement
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the plan's members.
Projected Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the plan's members. The projected salary increase for regular plan members ranges from 3.0% to 12.8% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic

The projected benefit payments do not include provisions for potential future increases not yet authorized by the LASERS Board of Trustees as these ad hoc COLAs were deemed not to be substantively automatic. However, the LASERS assumptions for funding purposes include an adjustment to recognize that investment earnings will be allocated to the experience account to fund potential future increases.

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

	Target Allocation	Long-Term Expected Real Rate of Return
LASERS (geometric)		
Cash	0.00%	0.80%
Domestic equity	34.00%	4.45%
International equity	18.00%	5.44%
Domestic fixed income	3.00%	2.04%
International fixed income	17.00%	5.33%
Alternative investments	28.00%	8.19%
Total Fund	100.00%	5.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for LASERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially-determined rates approved by PRSAC taking into consideration the recommendation of the respective pension system’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current 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 proportionate share of the NPL to changes in the discount rate

The following presents the District's proportionate share of the NPL for LASERS using the current discount rate as well as what the District's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1.0% Decrease	Current Discount Rate	1.0% Increase
(6.25%)	(7.25%)	(8.25%)
$370,744	$283,136	$208,914

Pension plan fiduciary net position

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

Payables to the Pension Plan

At June 30, 2024, the District had $1,618 in payables to LASERS for the June 30, 2024 employee and employer legally-required contributions.

5. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Amounts Due Within One Year
Compensated absences	$4,610	$5,231	$4,647	$5,194	$5,194
Total long-term liabilities	4,610	$5,231	$4,647	$5,194	$5,194

** Changes in long-term liabilities for Pensions can be found in note 4.

6. CLAIMS AND LITIGATION

The District is exposed to various risks of losses related to general liability: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. At June 30, 2024, the District was not involved in any threatened or ongoing litigation.

In August 2021, Hurricane Ida swept through the area and caused widespread, and in some cases catastrophic, damage. Hurricane Ida related claims totaling $1,558,378 have been filed with FEMA to recoup unreimbursed and uninsured costs for debris removal, emergency responses, and administrative costs. These claims are being reimbursed at either 100% or 90%, depending on the category and timing of the claim. All costs filed are expected to be eligible. As of June 30, 2024, $4,429,282 has been obligated by FEMA, and $1,327,073 has been approved. Of this amount, $1,320,453 has been received in reimbursements from FEMA, and the remaining $6,620 is the local share. The Town and the District are diligently working towards providing documentation on these claims in order to claim the remaining funds due and recovering from this devastating storm. The total amount received from FEMA for Hurricane Ida claims in fiscal year 2024 was $1,207,146.

7. RISK MANAGEMENT

The District is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers. Under these policies, general liability coverage is provided for up to a maximum of $1,000,000 per occurrence ($2,000,000 in the aggregate), and workers' compensation is provided at the statutory limits of $100,000/$500,000/$100,000. In each policy, the District is responsible for the applicable deductible.

8. RESTATEMENT OF FUND BALANCE AND NET POSITION

The beginning fund balance as reflected on Statement B has been restated to correct errors noted in the prior year.

General Fund

Fund Balance at June 30, 2023	$1,881,006
Correction of errors in liabilities payable for levee construction	(16,102)
Fund Balance at June 30, 2023, as restated	$1,864,904

The restatement decreased the District's beginning fund balance by $16,102. Had the correction noted above, affecting fiscal year 2023, been included in the June 30, 2023 Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance, the previously reported excess (deficiency) of revenues over expenditures of $1,885,396 would have been $1,869,294.

The beginning net position as reflected on Statement B has been restated to correct errors noted in the prior year.

Statement of Activities

Net Position at June 30, 2023	$64,563,329
Correction of errors in accounts receivable for funds due from federal government	1,897,260
Net Position at June 30, 2023, as restated	$66,460,589

The restatement increased the District's beginning net position by $1,897,260. Had the correction noted above, affecting fiscal year 2023, been included in the June 30, 2023 Statement of Activities, the previously reported change in net position of $10,746,904 would have been $12,185,355.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net Pension Liability

Schedule 1 presents the District's Net Pension Liability.

Schedule of the District's Pension Contributions

Schedule 2 presents the amount of contributions the District made to the pension system.

Schedule of the District's Proportionate Share of the Net Pension Liability
Fiscal Year Ended June 30, 2024

Fiscal Year*	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2015	0.00535%	$334,594	$102,350	327%	65.0%
2016	0.00537%	$365,513	$101,605	360%	62.7%
2017	0.00559%	$438,801	$108,098	406%	57.7%
2018	0.00890%	$626,667	$173,900	360%	62.5%
2019	0.00858%	$585,013	$166,000	352%	64.3%
2020	0.00835%	$604,588	$166,000	364%	62.9%
2021	0.00458%	$378,548	$166,000	228%	58.0%
2022	0.00454%	$249,991	$96,000	260%	72.8%
2023	0.00451%	$341,171	$96,000	355%	63.7%
2024	0.00423%	$283,136	$96,000	295%	68.4%

*Amounts presented were determined as of the measurement date (previous fiscal year-end).

Notes to Required Supplementary Information

Changes of Benefit Terms include:

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

B. 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.

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

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

E. Act 656 of the 2022 Louisiana Regular Legislative Session provided a one-time supplemental payment to eligible retirees and beneficiaries equal to the lesser of the retiree's or beneficiary's monthly benefit, or $2,000.

Changes of Assumptions include:

A. Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.0% to 2.75%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25% in the June 30, 2017 valuation.

B. Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

C. Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation.

D. For the valuation year ended June 30, 2018, the discount rate was decreased from 7.70% to 7.65% and the inflation rate was decreased from 2.75% to 2.5%.

E. For the valuation year ended June 30, 2019, the discount rate was decreased from 7.65% to 7.60%.

F. Retirement, termination, disability, inflation, salary increase, and expected remaining service life assumptions and methods were updated with the June 30, 2019 valuation to reflect the results of the most recent experience study observed for the period July 1, 2013 - June 30, 2018.

G. For the valuation year ended June 30, 2020, the discount rate was decreased from 7.60% to 7.55%.

H. Effective July 1, 2020, the LASERS Board reduced the inflation assumption from 2.5% to 2.3%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .2% in the June 30, 2020 valuation.

I. For the valuation year ended June 30, 2021, the discount rate was decreased from 7.55% to 7.40%.

J. For the valuation year ended June 30, 2022, the discount rate was decreased from 7.40% to 7.25%.

Schedule of the District's Pension Contributions
Fiscal Year Ended June 30, 2024

Fiscal Year*	(a) Statutorily-Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	District's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System					
2015	$33,456	$33,456		$101,605	32.9%
2016	$39,855	$39,855		$108,098	36.9%
2017	$61,698	$61,698		$173,900	35.5%
2018	$62,284	$62,284		$166,000	37.5%
2019	$60,600	$60,600		$166,000	36.5%
2020	$54,383	$54,383		$166,000	32.8%
2021	$42,696	$42,696		$96,000	44.5%
2022	$52,015	$52,015		$96,000	54.2%
2023	$38,804	$38,804		$96,000	40.4%
2024	$39,445	$39,445		$96,000	41.1%

*Amounts presented were determined as of the end of the fiscal year.

Notes to Required Supplementary Information

Changes of Benefit Terms include:

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

B. 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.

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

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

E. Act 656 of the 2022 Louisiana Regular Legislative Session provided a one-time supplemental payment to eligible retirees and beneficiaries equal to the lesser of the retiree's or beneficiary's monthly benefit, or $2,000.

Changes of Assumptions include:

A. Effective July 1, 2017, the LASERS Board reduced the inflation assumption from 3.0% to 2.75%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25% in the June 30, 2017 valuation.

B. Effective July 1, 2017, the projected contribution requirement includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

C. Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation.

D. For the valuation year ended June 30, 2018, the discount rate was decreased from 7.70% to 7.65% and the inflation rate was decreased from 2.75% to 2.5%.

E. For the valuation year ended June 30, 2019, the discount rate was decreased from 7.65% to 7.60%.

F. Retirement, termination, disability, inflation, salary increase, and expected remaining service life assumptions and methods were updated with the June 30, 2019 valuation to reflect the results of the most recent experience study observed for the period July 1, 2013 - June 30, 2018.

G. For the valuation year ended June 30, 2020, the discount rate was decreased from 7.60% to 7.55%.

H. Effective July 1, 2020, the LASERS Board reduced the inflation assumption from 2.5% to 2.3%. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .2% in the June 30, 2020 valuation.

I. For the valuation year ended June 30, 2021, the discount rate was decreased from 7.55% to 7.40%.

J. For the valuation year ended June 30, 2022, the discount rate was decreased from 7.40% to 7.25%.

OTHER REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Exhibit A

The following pages contain our report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

February 28, 2025

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
Lafitte, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and General Fund of the Lafitte Area Independent Levee District (District), a component unit of the state of Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 28, 2025. Our report was modified to include an emphasis of matter section regarding the implementation of certain accounting standards and a restatement for the correction of an error.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

EE:CJH:RR:BQD:aa

LAILD 2024