ANNUAL FINANCIAL REPORT

LAKEFRONT MANAGEMENT AUTHORITY

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2022

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

TABLE OF CONTENTS

TABLE OF CONTENTS (CONTINUED)

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lakefront Management Authority

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Authority'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 Authority'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.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Lakefront Management Authority
December 15, 2022

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds Budget and Actual, and schedules of Proportionate Share of Net Pension Liability, Contributions – Retirement Plan, Proportionate Share of the Collective Net OPEB Liability and the related Notes to Required Supplemental Information (together "required supplementary information") are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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 is also 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Lakefront Management Authority
December 15, 2022

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

December 15, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

The Management's Discussion and Analysis of the Lakefront Management Authority (the Authority) presents a narrative overview and analysis of the Authority's financial results for the year ended June 30, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts relating to the Authority and the following five organizations:

• South Shore Harbor Marina
• Lakefront Airport
• Orleans Marina
• Lake Vista Community Center
• New Basin Canal

These five organizations are accounted for as proprietary funds of the Authority. While the Orleans Levee District owns the assets of these proprietary funds, the Southeast Louisiana Flood Protection Authority – East (SLFPAE), which controls the Orleans Levee District, is prohibited from managing or operating them. Accordingly, they are managed and controlled by the Authority. The powers and duties of the Authority are designated in LA R.S. 38:330.12 and LA R.S. 38:330.12.1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The "government-wide financial statements" are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The "statement of net position" presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish function of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Authority has both governmental activities and business-type activities.

The governmental activities include most of the Authority's basic services such as infrastructure and public works, and general government. Property taxes and operating grants finance most of this activity. The vast majority of governmental activities are related to upkeep of roadways and public recreation areas along Lake Pontchartrain and related activities.

The business-type activities reflect operations that are financed and operated in a manner similar to private businesses where the entity charges a fee for services it provides. The Orleans Levee District's marinas, airport, and business park which are managed by the Authority are included here.

The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor. The Authority is a component unit of the Southeast Louisiana Flood Protection Authority – East, which is a component unit of the State of Louisiana.

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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority's funds are classified as "governmental funds" and "proprietary funds". Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the 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 a government's near-term financing requirements.

The proprietary funds for which the Lakefront Management Authority charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

The Authority maintains two governmental funds that are separated for management purposes. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the following funds: the Orleans Levee District Real Estate Fund and General Improvement Fund. Both of these funds are considered to be "major" funds.

The Authority's Board adopts annual budgets for both of the governmental and improvement funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget

NOTES TO THE FINANCIAL STATEMENTS

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

PROPRIETARY FUND FINANCIAL STATEMENTS

The basic financial statements present information for the operations of the Authority in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Activities and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents the current and long-term portions of assets and liabilities separately, as well as deferred inflows and deferred outflows. The difference between assets, deferred outflows, liabilities, and deferred inflows is net position and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

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

The Statement of Cash Flows presents information showing how the Proprietary Funds' cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Codification 2200.

FINANCIAL HIGHLIGHTS

Condensed Statement of Net Position

The following table describes the net position of the Authority at the end of the current and prior fiscal years:

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 2,275	$ 2,216	$ 6,289	$ 6,831	$ 8,563	$ 9,047
Long-term assets	53	69	22,225	63	22,278	132
Total assets	2,328	2,285	28,514	6,894	30,842	9,179
Total deferred outflows of resources	104	169	1,037	1,712	1,142	1,881
Current liabilities	2,412	1,670	895	970	3,307	2,640
Long-term liabilities	521	702	5,011	6,389	5,532	7,091
Total liabilities	2,933	2,372	5,906	7,359	8,839	9,731
Total deferred inflows of resources	190	97	24,195	478	24,385	575
Net investment in capital assets	40	69	429	63	469	132
Unrestricted	(731)	(83)	(978)	706	(1,709)	623
Total net position	$ (691)	$ (14)	$ (549)	$ 769	$ (1,240)	$ 755

- The Authority's total net position at the close of fiscal year 2022 was -$1.7 million which was a decrease of approximately $2.3 million from the prior year. The decrease is primarily due to the increased losses sustained in operating the Lakefront Airport, Orleans Marine, and Southshore Harbor due to increased maintenance costs and Hurricane Ida's effects. Management expects much of the Hurricane Ida expenditures to be recovered in 2022 from FEMA grants.

Condensed Statement of Activities

The following table describes the changes in net position of the Authority during the current and prior fiscal years:

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Program revenues	$ -	$ -	$ 7,450	$ 6,797	$ 7,450	$ 6,797
Program expenses	(2,641)	(1,150)	(6,905)	(8,166)	(9,546)	(9,316)
Program gain (loss)	(2,641)	(1,150)	545	(1,369)	(2,096)	(2,519)
General revenues and transfers	1,963	1,944	(1,863)	(753)	100	1,191
Changes in net position	$ (677)	$ 794	$ (1,318)	$ (2,122)	$ (1,995)	$ (1,328)

- Net program loss increased by approximately $424 thousand in the 2022 fiscal year.
- Net position decreased by $1.3 million due to losses sustained in managing the Lakefront Airport, Southshore Harbor, and Lake Vista Community Center.

Table 3
Capital Assets at Year-end
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Equipment	53	69	429	63	482	132
Total capital assets, net	$ 53	$ 69	$ 429	$ 63	$ 482	$ 132

The increases in fixed assets were primarily due to the purchase of a new fire truck. Improvements made to properties under the Authority's control totaling approximately $2 million were transferred to the Orleans Levee District.

LONG-TERM LIABILITIES

The following table lists long-term obligations of the Authority:

Table 4
Long-Term Liabilities, at Year-end
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Compensated absenses	$ 78	$ 79	$ 115	$ 86	$ 193	$ 165
OPEB liability	72	76	954	870	1,026	946
Pension liability	372	547	3,942	5,433	4,314	5,980
Total long-term liabilities	$ 521	$ 702	$ 5,011	$ 6,389	$ 5,532	$ 7,091

VARIATIONS BETWEEN EXPECTED AND ACTUAL AMOUNTS

The Authority's officials considered many factors when setting the original fiscal year 2022 budget such as anticipated revenues versus salary and benefit expenditures with additional staff, monthly services such as utilities, and expenditures required to maintain the assets (i.e. Trash Pick Up, Grass Cutting, etc.) Capital improvement projects were budgeted based on the remainder of revenues after those expenditures and the availability of grant revenues.

The revenue variance of $256 thousand between the actual amounts received versus the original budgeted amount is due to lower than anticipated tax revenues. The Authority amended its tax revenue budget, which resulted in a positive revenue variance of $68,200 between actual amounts received versus the amended budgets. Variances from the original budgeted expenditures to actual expenditures were a variance of $345 thousand (expenses were over budget) primarily due to higher contractual services expenditures than anticipated primarily due to Hurricane Ida and insurance billings.

Economic Factors and Next Year's Budgets, Rates, and Fees

The Authority's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Changes in organization processes
- Necessary major maintenance and project expenditures
- Additional boat slip capacity in the New Orleans area

Contacting the Authority's Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at New Orleans Lakefront Airport, Terminal Building, Suite 219, 6001 Stars & Stripes Blvd., New Orleans, Louisiana 70126.

BASIC FINANCIAL STATEMENTS

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS:			
Cash and cash equivalents	$ 548,076	$ -	$ 548,076
Investments - LAMP	5,931,188	-	5,931,188
Receivables, net	302	356,526	356,828
Internal balances	(4,359,870)	4,359,870	-
Due from other governments	152,787	388,104	540,891
Current portion of lease receivable	-	1,181,510	1,181,510
Other assets	2,100	2,712	4,812
Total current assets	2,274,583	6,288,722	8,563,305
NON-CURRENT ASSETS:			
Lease receivables, net of current portion	-	21,796,673	21,796,673
Capital assets:			
Other capital assets, net of depreciation	53,117	428,603	481,720
Total noncurrent assets	53,117	22,225,276	22,278,393
Total assets	2,327,700	28,513,998	30,841,698
DEFERRED OUTFLOWS OF RESOURCES:			
OPEB deferrals	21,804	289,645	311,449
Pension deferrals	82,412	747,765	830,177
Total deferred outflows of resources	104,216	1,037,410	1,141,626
CURRENT LIABILITIES:			
Accounts payable	1,131,808	82,111	1,213,919
Contracts payable	12,630	-	12,630
Deferred revenues	3,000	420,023	423,023
Accrued payroll liabities	53,959	59,898	113,857
Due to Orleans Levee District	1,210,245	-	1,210,245
Other liabilities	-	332,973	332,973
Total current liabilities	2,411,642	895,005	3,306,647
NON-CURRENT LIABILITIES:			
Accrued compensated absences	77,787	114,854	192,641
Post-employment benefit liability	71,809	954,027	1,025,836
Net pension liability	371,820	3,941,732	4,313,552
Total noncurrent liabilities	521,416	5,010,613	5,532,029
Total liabilities	2,933,058	5,905,618	8,838,676
DEFERRED INFLOWS OF RESOURCES:			
OPEB deferrals	19,801	263,100	282,901
Pension deferrals	169,929	953,692	1,123,621
Lease deferrals	-	22,978,183	22,978,183
Total deferred inflows of resources	189,730	24,194,975	24,384,705
NET POSITION:			
Net investment in capital assets	40,487	428,603	469,090
Unrestricted	(731,359)	(977,788)	(1,709,147)
Total net position	$ (690,872)	$ (549,185)	$ (1,240,057)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Postion		
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Property management	$ 2,640,747	$ -	$ -	$ (2,640,747)	$ -	$ (2,640,747)
Total governmental activities	2,640,747	-	-	(2,640,747)	-	(2,640,747)
Business-Type Activities						
South Shore Harbor Marina	1,186,999	615,694	-	-	(571,305)	(571,305)
Lakefront Airport	3,867,883	2,868,642	1,014,004	-	14,763	14,763
Orleans Marina	1,428,248	1,418,828	-	-	(9,420)	(9,420)
New Basin Canal	249,222	1,267,300	-	-	1,018,078	1,018,078
Lake Vista Community Center	172,450	265,559	-	-	93,109	93,109
Total business-type activities	6,904,802	6,436,023	1,014,004	-	545,225	545,225
Total functions/programs	$ 9,545,549	$ 6,436,023	$ 1,014,004	(2,640,747)	545,225	(2,095,522)
	General revenues, special items and transfers:					
	Taxes			1,736,873	-	1,736,873
	Unrestricted investment loss			14,225	-	14,225
	Miscellaneous income			212,360	150,150	362,510
	Gain (loss) on disposals of assets			-	50,000	50,000
	Transfers (to) OLD			-	(2,063,278)	(2,063,278)
	Total general revenues, special items and transfers			1,963,458	(1,863,128)	100,330
	Change in net position			(677,289)	(1,317,903)	(1,995,192)
	Net postion - beginning of year			(13,583)	768,718	755,135
	Net position - end of year			$ (690,872)	$ (549,185)	$ (1,240,057)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

ASSETS

	LMA OLD Real Estate Fund	LMA General Improvement Fund	Total Governmental Funds
CURRENT ASSETS:			
Cash and cash equivalents	$ 548,076	$ -	$ 548,076
Investments - LAMP	5,931,188	-	5,931,188
Receivables	302	-	302
Due from other funds	17,854,105	-	17,854,105
Due from other governments	-	152,787	152,787
Other assets	2,100	-	2,100
Total assets	$ 24,335,771	$ 152,787	$ 24,488,558

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

	LMA OLD Real Estate Fund	LMA General Improvement Fund	Total Governmental Funds
LIABILITIES:			
Accounts payable	$ 1,131,808	$ -	$ 1,131,808
Contracts payable	12,630	-	12,630
Other accrued	53,959	-	53,959
Due to other funds	21,257,371	2,166,849	23,424,220
Total liabilities	22,455,768	2,166,849	24,622,617
DEFERRED INFLOWS OF RESOURCES	3,000	-	3,000
FUND BALANCES:			
Nonspendable:			
Prepaid and other assets	2,100	-	2,100
Unassigned	1,874,903	(2,014,062)	(139,159)
Total fund balances (deficit)	1,877,003	(2,014,062)	(137,059)
Total liabilities, deferred inflows of resources, and fund balances	$ 24,335,771	$ 152,787	$ 24,488,558

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINED BALANCE SHEET
TO THE COMBINED STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

Fund balances - total governmental funds	$	(137,059)
Amounts reported for governmental activities in the Combined Statement of Net Position are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation		53,117
Deferred outflows of resources related to pensions and OPEB are not reported in the governmental funds:		
Pensions		82,412
OPEB		21,804
Pension and OPEB related deferrals are deferred inflows of resources on the statement of net position:		
Pensions		(169,929)
OPEB		(19,801)
Liabilities that are not due and payable within 60 days of year-end and, therefore, and not reported in the funds		
Accrued compensated absences		(77,787)
Post-employment benefit liability		(71,809)
Net pension liability		(371,820)
Net position of governmental activities	$	(690,872)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2022

	LMA OLD Real Estate Fund	LMA General Improvement Fund	Total Governmental Funds
REVENUES:			
Taxes	$ 1,736,873	$ -	$ 1,736,873
Other	162,360	80,742	243,102
Investment earnings (loss)	14,225	-	14,225
Total revenues	1,913,458	80,742	1,994,200
EXPENDITURES:			
Property management	2,597,004	80,742	2,677,746
Total expenditures	2,597,004	80,742	2,677,746
Excess (deficiency) of revenues over expenditures	(683,546)	-	(683,546)
Net change in fund balances	(683,546)	-	(683,546)
Fund balances (deficit) - beginning of year	2,560,549	(2,014,062)	546,487
Fund balances (deficit) - end of year	$ 1,877,003	$ (2,014,062)	$ (137,059)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY
RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE TO THE COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Change in fund balances - total governmental funds	$	(683,546)
Amounts reported for governmental activities in the Combined Statement of Activities and Changes in Net Position are different because governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Depreciation expense		(15,586)
Some items reported in the Combined Statement of Activities and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Compensated absences		1,114
Post-employment benefit obligation		15,620
Pension expense		5,109
Change in net position	$	(677,289)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AS OF JUNE 30, 2022

	Major Funds					
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Total Proprietary Funds
CURRENT ASSETS:						
Receivables, net of allowance for uncollectables accounts	37,915	230,551	34,677	39,462	13,921	356,526
Due from other funds	215,303	-	6,867,000	12,779,830	267,094	20,129,227
Due from other governments	-	388,104	-	-	-	388,104
Current portion of lease receivable	-	315,319	212,877	532,588	120,726	1,181,510
Other assets	302	1,612	879	-	(81)	2,712
Total current assets	253,520	935,586	7,115,433	13,351,880	401,660	22,058,079
NONCURRENT ASSETS:						
Lease receivables, net of current portion	-	2,422,759	3,765,660	15,396,478	211,776	21,796,673
Other capital assets, net of depreciation	4,253	409,274	-	-	15,076	428,603
Total noncurrent assets	4,253	2,832,033	3,765,660	15,396,478	226,852	22,225,276
Total assets	257,773	3,767,619	10,881,093	28,748,358	628,512	44,283,355
DEFERRED OUTLFOWS OF RESOURCES:						
Pensions	106,497	440,779	119,245	34,312	46,932	747,765
OPEB	43,602	180,639	46,716	12,458	6,230	289,645
Total deferred outflows of resources	150,099	621,418	165,961	46,770	53,162	1,037,410
Total assets and deferred outflow of resources	407,872	4,389,037	11,047,054	28,795,128	681,674	45,320,765
CURRENT LIABILITIES:						
Accounts payable	-	41,956	-	-	40,155	82,111
Due to other funds	-	15,687,256	-	82,101	-	15,769,357
Rents paid in advance	279,977	101,147	36,921	-	1,978	420,023
Other liabilities	60,116	306,163	23,984	2,355	253	392,871
Total current liabilities	340,093	16,136,522	60,905	84,456	42,386	16,664,362
NONCURRENT LIABILITIES:						
Accrued compensated absences	8,591	96,265	9,998	-	-	114,854
Post-employment benefit liability	143,618	594,984	153,876	41,033	20,516	954,027
Net pension liability	561,380	2,323,501	628,580	180,876	247,395	3,941,732
Total noncurrent liabilities	713,589	3,014,750	792,454	221,909	267,911	5,010,613
Total liabilities	1,053,682	19,151,272	853,359	306,365	310,297	21,674,975
DEFERRED INFLOWS OF RESOURCES:						
Leases	-	2,738,078	3,978,537	15,929,066	332,502	22,978,183
Pensions	135,825	562,165	152,083	43,762	59,857	953,692
OPEB	39,606	164,084	42,436	11,316	5,658	263,100
Total deferred inflows of resources	175,431	3,464,327	4,173,056	15,984,144	398,017	24,194,975
NET POSITION:						
Net investment in capital assets	4,253	2,832,033	3,765,660	15,396,478	226,852	22,225,276
Unrestricted	(825,494)	(21,058,595)	2,254,979	(2,891,859)	(253,492)	(22,774,461)
Total net position	$ (821,241)	$ (18,226,562)	$ 6,020,639	$ 12,504,619	$ (26,640)	$ (549,185)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds					
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Total Proprietary Funds
OPERATING REVENUES:						
Charges for services						
Rentals	$ 615,694	$ 2,051,591	$ 1,418,828	$ 1,267,300	$ 265,559	$ 5,618,972
Fuel flowage fees	-	817,051	-	-	-	817,051
Total charges for services	615,694	2,868,642	1,418,828	1,267,300	265,559	6,436,023
Miscellaneous income	-	149,950	150	50	-	150,150
Total operating revenues	615,694	3,018,592	1,418,978	1,267,350	265,559	6,586,173
OPERATING EXPENSES:						
Personnel services	399,016	1,846,962	560,415	194,569	67,782	3,068,744
Travel	106	3,932	-	-	-	4,038
Contractual services	518,715	1,588,033	654,628	11,484	86,127	2,858,987
Materials and supplies	68,399	150,377	59,939	-	1,146	279,861
Professional services	97,938	143,193	114,166	43,125	13,686	412,108
Other charges	15,837	18,230	37,793	44	1,196	73,100
Depreciation	2,127	72,473	-	-	2,513	77,113
Major maintenance	84,861	44,683	1,307	-	-	130,851
Total operating expenses	1,186,999	3,867,883	1,428,248	249,222	172,450	6,904,802
Net operating income (loss)	(571,305)	(849,291)	(9,270)	1,018,128	93,109	(318,629)
NONOPERATING REVENUES (EXPENSES):						
Grant income	-	1,014,004	-	-	-	1,014,004
Transfers to governmental activities	-	(1,657,815)	-	-	(405,463)	(2,063,278)
Gain on sale of assets	-	50,000	-	-	-	50,000
Total nonoperating revenues	-	(593,811)	-	-	(405,463)	(999,274)
Change in net position	(571,305)	(1,443,102)	(9,270)	1,018,128	(312,354)	(1,317,903)
Total net position - beginning of year	(249,936)	(16,783,460)	6,029,909	11,486,491	285,714	768,718
Total net position - end of year	$ (821,241)	$ (18,226,562)	$ 6,020,639	$ 12,504,619	$ (26,640)	$ (549,185)

The accompanying notes are an integral part of these combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds					
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Total Proprietary Funds
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:						
Receipts from customers	$ 615,677	$ 2,815,143	$ 1,460,636	$ 1,178,998	$ 259,101	$ 6,329,555
Other operating cash receipts	-	149,950	150	50	-	150,150
Payments to suppliers	(173,341)	(148,464)	(951,286)	(1,029,965)	237,315	(2,065,741)
Payments to employees	(442,336)	(1,999,537)	(509,500)	(149,083)	(73,364)	(3,173,820)
Net cash from (used in) operating activities	-	817,092	-	-	423,052	1,240,144
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from federal and state grants	-	1,215,723	-	-	-	1,215,723
Purchase of capital assets	-	(2,082,815)	-	-	(423,052)	(2,505,867)
Proceeds from sale of capital assets	-	50,000	-	-	-	50,000
Net cash from (used in) capital and related financing activities	-	(817,092)	-	-	(423,052)	(1,240,144)
Net change in cash	-	-	-	-	-	-
Cash – beginning of year	-	-	-	-	-	-
Cash – end of year	$ -	$ -	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FROM (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	$ (571,305)	$ (1,443,102)	$ (9,270)	$ 1,018,128	$ (312,354)	$ (1,317,903)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:						
Depreciation expense	2,127	72,473	-			74,600
Cash from (used in) other areas	-	392,092	-	-	405,563	797,655
Change in assets and liabilities:						
Receivables, net	1,293	66,310	33,015	(36,802)	(8,436)	55,380
Due from other funds	612,672	-	(32,169)	(1,057,413)	306,623	(170,287)
Prepaid expenses and other assets	(157)	33,444	(116)	-	-	33,171
Accounts and other payables	-	38,950	(51,168)	-	37,238	25,020
Due to other funds	-	1,727,590	-	82,101	-	1,809,691
Post-employment benefit liability	11,260	46,648	21,519	(6,237)	11,063	84,253
Net pension liability	(282,252)	(933,397)	(172,939)	18,146	(120,430)	(1,490,872)
Other liabilities	10,568	(37,678)	7,878	(54,237)	-	(73,469)
Change in deferred outflows of resources	113,361	427,000	81,212	5,598	47,279	674,450
Change in deferred inflows of resources	102,433	426,762	122,038	30,716	56,506	738,455
Net cash from (used in) operating activities	$ -	$ 817,092	$ -	$ -	$ 423,052	$ 1,240,144

The accompanying notes are an integral part of these combined financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Lakefront Management Authority, formerly known as the Non-Flood Protection Asset Management Authority, (Authority) was created by LA R.S. 38:330.12, which placed the non-flood related assets and activities of the Orleans Levee District (OLD) under the management and control the Authority. The statute also states that those assets will continue to be owned by OLD. The creation, powers, duties and functions of the Authority are specified in LA R.S. 38:330.12.1.

The Authority is governed by a Board of Commissioners (the Board), consisting of 17 members. The members shall be composed of the following members who shall be subject to Senate confirmation, provided that no elected official shall be appointed to serve as a member:

- One member appointed by the Southeast Louisiana Flood Protection Authority East (SLFPAE).
- One member appointed by the state senator representing Senate District No. 3 and Senate District No. 4, and by the state representative representing House District No. 97, House District No. 94, House District No. 99, and by the Congressional Representative representing Congressional District No. 1 and Congressional District No. 2. At least one member appointed shall be a lawyer, at least one member shall be a certified public accountant and at least one member shall be a realtor.
- One member appointed by the mayor of the city of New Orleans.
- One member appointed by each New Orleans city council member in whose district a non-flood asset is located.
- Two members appointed jointly by the presidents of the Lakeshore, Lake Vista, Lake Terrace, and Lake Oaks property owners associations.
- One member appointed by the secretary of the Department of Transportation and Development.
- One member appointed by the Lake Pontchartrain Basin Foundation.
- One member appointed by the board for the New Orleans City Park.

Regular monthly meetings of the Board are convened at a place determined by the Board.

The Financial Statements of the Authority include the governmental fund and the general improvement fund, as well as the aggregate results of the enterprise fund assets of OLD which it manages.

The Authority has responsibility not only for the proprietary funds of OLD, but also roadways and public recreation areas along Lake Pontchartrain and all government-type activities related to them. The OLD Real Estate Fund is reported with the governmental funds. The General Improvement Fund is also managed by the Authority.

Measurement Focus, Basis Of Accounting, And Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the Authority as a whole. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, And Financial Statement Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 (allocated to functions based on actual revenues and expenditures) and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as general revenues.

Basis of Accounting

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements present information only as to the transactions of the Authority as authorized by Louisiana statutes. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements mode, regardless of the measurement focus applied.

The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy.

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. both measurable and available). Measurable means the amount of the transaction can be determined; and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Authority considers most revenues available if they are collected within 60 days after year end. For certain grants for which collectability is assured, but do not meet the availability criteria, the revenue is recorded as unearned revenue. Expenditures generally are recorded when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when paid.

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, And Financial Statement Presentation (Continued)

Fund Balance

In 2012, the Authority adopted the provisions of GASB Codification 1300 *Fund Accounting* and 1800 *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental fund types. In fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy primarily on the extent to which the Authority 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 – nonspendable, restricted, committed, assigned and unassigned.

- *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.

- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Authority to assess, levy, change or otherwise mandate 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.

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

- *Assigned* – This component consists of amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. The authorization for assigning fund balance is expressed by the Authority or the designee as established in the Authority's Fund Balance Policy.

- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources in the following order: committed resources first, then assigned, and then unassigned as they are needed.

Net Position

In 2013, the Authority adopted GASB Standards which provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of assets in one period that are applicable to future periods. GASB Statement No. 63 requires that deferred outflows of resources should be reported in a statement of net position in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities. During 2013, the Authority adopted the statement and restated balances previously referred to as net assets to net position.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, And Financial Statement Presentation (Continued)

Net Position (Continued)

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components – net *investment in capital assets* consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets; *restricted* distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and *unrestricted* consisting of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Major Funds

The OLD's Real Estate Fund is used to provide management and administration of non-flood control operations, including OLD's proprietary funds as well as parks, roadways, and bridges. The Authority's General Improvement Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of non-flood protection related capital facilities. This fund is controlled and managed by the Authority.

The South Shore Harbor Marina, Orleans Marina, Lakefront Airport, Lake Vista Community Center, and New Basin Canal are proprietary funds used for financial resources received and used for the operation maintenance, and improvement of capital facilities. These funds are controlled and managed by the Authority.

Use of Estimates

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all demand accounts and certificates of deposit with an original maturity of three months or less.

Under state law, the Authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. State statutes authorize the Authority to invest in United States bonds, treasury notes or certificates. These are classified as investments if the original maturities exceed 90 days. Investments are stated at fair value using published market rates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Cash and cash equivalents are stated at cost, which approximates market value. 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of commercial paper held by the state treasurer. The Authority was fully covered by the Federal Deposit Insurance Corporation ("FDIC") and pledged securities at June 30, 2021.

Investments - LAMP

The Louisiana Asset Management Pool ("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 rated AAA by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to the account balances. The investments in LAMP are stated at fair value based on quoted market rates. 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 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 U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

Investments in LAMP are stated at amortized cost due to their liquidity.

Receivables

All receivables are shown net of allowance for doubtful accounts.

Interfund Receivables or Payables

The amounts are referred to as either due to or due from other funds, which result from a pooled cash management process. Interfund receivables or payables reflect a cumulative excess of costs (due from) or revenue (due to) generally between the general funds and all other funds. As a general rule, all interfund balances are eliminated in the government-wide financial statements.

Inventory

Supplies and fuel are expensed when purchased.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, such as bridges, seawalls, roads, and levees, are reported in the financial statements. In accordance with accounting principles generally accepted in the United States of America and the GASB Codification 2200, governments are required to identify infrastructure assets, including flood control systems. The Authority has recorded the costs of construction for projects identified in its bond documents and will continue to recognize its portion of the cost of infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Authority has implemented a $5,000 minimum capitalization threshold. The Authority’s capitalization threshold for infrastructure assets is $2,000,000 to be consistent with the recommendation by the Office of Statewide Reporting and Accounting Policy.

The following are the major classes of capital assets and the related asset lives:

Buildings	20-40 years
Improvements other than buildings	3-40 years
Equipment	5-40 years
Infrastructure	25-50 years

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has two items that meet this criterion – pension and OPEB-related deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has two items that meet the criteria for this category – OPEB and pension-related deferrals.

Compensated Absences

Employees earn and accumulate annual and sick leave of various rates, depending on the years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or the employee’s estate are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. In addition, it is the Authority's policy to pay any accumulated compensatory leave at the employee's hourly rate of pay at the time of termination.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System or the Teachers' Retirement System of Louisiana and additions to/deductions from the retirement systems' fiduciary net positions have been determined on the same basis as they are reported by the retirement systems. 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.

Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Office of Group Benefits (OGB) plan and additions to deductions from the plan's fiduciary net position have been determined on the same basis a s they are reported by the OGB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations

In the government-wide financial statements, long-term obligations are recognized as liabilities in the applicable governmental activities statement of net position.

Balance Sheet

Governmental funds include a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic resources measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, accrued compensated absences, net pension liability, and post-employment benefits payable, which are shown on the government-wide but not the governmental fund statements. The statement of revenues, expenditures, and changes in fund balances – governmental funds include reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities. Governmental funds report capital outlays as expenditures; however, in the statement of activities and changes in net position, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. Other differences in recognition include number of months allowed in estimating revenue collections, contributions to the pension plan in the current fiscal year, classification of changes in long-term obligations, pension expense, and post-employment benefit and pension expense.

Expenditures are controlled at a major cost category level. The Executive Director may reallocate resources among cost categories and departments so long as aggregate cost does not change. Changes to the budgets that will change total revenue or expense must be approved by the Board.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

By April 1 of each year, the Board submits the annual budgets to the Joint Legislative Committee on the Budget and to the Legislative Auditor of the State of Louisiana for the succeeding fiscal year. The operating and capital budgets include proposed expenditures and the means of financing.

All original budgets were adopted on April 29, 2021. The budgeted amounts are included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Governmental Funds.

The most significant changes made are described below:

Revenues

Authority's original budget for governmental funds called for a total of $2,251,000 in revenues, with the budget not being amended for revenues. The Authority had an unfavorable revenue variance of $256,800.

Expenditures

The Authority's budget for governmental funds called for total expenditures of $2,332,750. The budget to actual variance was unfavorable by $344,996. Combined variances in the final budget amounts and actual results are shown in the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Governmental Funds.

Date of Management's Review

Subsequent events have been evaluated through December 15, 2022, the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Cash includes petty cash and demand deposits. Cash equivalents may include amounts in time deposits, money market mutual funds, commercial paper, and United States Treasury bills.
Amounts deposited in banks and investment accounts were as follows:

	Cash	LAMP	Total
Balance per agency books	$ 548,076	$ 5,931,188	$ 6,479,264
Deposits in bank and investment accounts per banks	$ 1,090,208	$ 5,931,188	$ 7,021,396

The total bank balances will not necessarily equal the deposits in bank account per the combined statement of net position. Deposits in bank accounts are stated at cost, which approximates market value. Under state law, these deposits are secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All balances are covered by sufficient collateral and FDIC coverage.

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

At June 30, 2022, the Authority had an investment of $5,931,188 with the Louisiana Asset Management Pool (LAMP), which is included in investments. LAMP is stated at amortized cost and is therefore not included in the fair value hierarchy.

(3) CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2022 is as follows:

	6/30/2021	Additions	Reductions	6/30/2022
Governmental Activities:				
Capital assets being depreciated:				
Equipment	212,540	-	-	212,540
Total capital assets being depreciated	212,540	-	-	212,540
Less accumulated depreciation for:				
Equipment	143,837	15,586	-	159,423
Total accumulated depreciation	143,837	15,586	-	159,423
Total capital assets being depreciated, net	$ 68,703	$ (15,586)	$ -	$ 53,117

(3) CAPITAL ASSETS (CONTINUED)

A summary of changes in proprietary type fund fixed assets for the year ended June 30, 2022 is as follows:

	6/30/2021	Additions	Reductions	6/30/2022
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	$ 1,279,046	$ 442,589	$ (489,816)	$ 1,231,819
Total capital assets being depreciated	1,279,046	442,589	(489,816)	1,231,819
Less accumulated depreciation for:				
Equipment	1,215,919	77,113	(489,816)	803,216
Total accumulated depreciation	1,215,919	77,113	(489,816)	803,216
Total capital assets being depreciated, net	63,127	365,476	-	428,603
Business-type activities capital assets, net	$ 63,127	$ 365,476	$ -	$ 428,603

(4) COMPENSATED ABSENCES

The cost of leave privileges, computed in accordance with GASB Codification Section C60 *Compensated Absences*, is recognized as an expense when leave is earned. The combined statement of net position present the cost of accumulated annual and compensatory leave as a liability. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay this amount when employees separate from service. The combined value of accrued annual leave and compensatory leave at June 30, 2022 was $192,641.

(5) RETIREMENT BENEFITS

Plan Description - LASERS

Employees of the Authority 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 RS 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.

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Retirement Benefits - LASERS

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. A rank and file member hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 year 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. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service or 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 member, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

(5) RETIREMENT BENEFITS (CONTINUED)

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

Deferred Retirement Benefits - LASERS

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

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

Disability Benefits - LASERS

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making 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 the final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits - LASERS

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

(5) RETIREMENT BENEFITS (CONTINUED)

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and 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.

Permanent Benefit Increases/Cost-of-Living Adjustments - LASERS

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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.

Contributions - LASERS

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with employer portion of the contribution.

The employer contribution rates in effect during the year ended June 30, 2022 for the various plans follow:

Appellate Law Clerks	39.50%
Appellate Law Clerks hired on or after 7/01/06	39.50%
Alcohol Tobacco Control	42.60%
Bridge Police	38.60%
Bridge Police hired on or after 7/01/06	38.60%
Corrections Primary	39.00%
Corrections Secondary	43.30%
Harbor Police	14.30%
Hazardous Duty	45.30%
Judges hired before 1/01/11	43.70%
Judges hired after 12/31/10	43.00%
Judges hired on or after 7/01/15	43.00%
Legislators	35.80%
Optional Retirement Plan (ORP) before 7/01/06	37.60%
Optional Retirement Plan (ORP) on or after 7/01/06	37.60%
Peace Officers	41.40%
Regular Employees hired before 7/01/06	39.50%
Regular Employees hired on or after 7/01/06	39.50%
Regular Employees hired on or after 1/01/11	39.50%
Regular Employees hired on or after 7/01/15	39.50%
Special Legislative Employees	37.80%
Wildlife Agents	51.20%

(5) RETIREMENT BENEFITS (CONTINUED)

The Authority's contractually required composite contribution rate for the year ended June 30, 2022 was 39.50% of annual payroll (45.30% for hazardous duty), 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 Authority were $687,980 for the year ended June 30, 2022.

Refunds of Contributions - LASERS

If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member's beneficiaries or their estates upon cessation of any survivor's benefits.

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

At June 30, 2022, the Authority reported a liability of $4,313,552 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Authority's proportion was 0.600110%, which was an increase of .001303% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Authority recognized pension expense of $532,890 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of $65,510.

(5) RETIREMENT BENEFITS (CONTINUED)

At June 30, 2022, the Authority 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	$ 4,173	$ -
Change in assumptions	103,497	-
Net difference between projected and actual earnings on pension plan investments	-	985,381
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,929	36,946
Employer contributions subsequent to the measurement date	687,981	-
Total	$ 801,580	$ 1,022,327

Deferred outflows of resources of $687,981 related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ending June 30th:

Year ending June 30:	
2023	$ (94,329)
2024	(151,810)
2025	(223,823)
2026	(438,766)
Total	$ (908,728)

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.40% per annum.
Inflation Rate	2.30% 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-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 7.61% for 2021. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	-0.29%
Domestic equity	31%	4.09%
International equity	23%	5.12%
Domestic fixed income	3%	0.49%
International fixed income	18%	3.94%
Alternative investments	24%	6.93%
Total	100%	5.81%

Discount Rate

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. 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 active and inactive 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 Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the Net Pension Liability using the discount rate of 7.40%, as well as what the Authority's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Authority's proportionate share of the net pension liability	$ 4,922,834	$ 4,225,409	$ 2,536,051

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org.

(5) RETIREMENT BENEFITS (CONTINUED)

Plan Description - TRSL

One employee of the Authority is provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided - TRSL

The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Normal Retirement

Members hired prior to July 1, 1999 prior to July 1, 1999

2.0% benefit factor	At least age 60 with at least 5 years of service credit, or Any age with at least 20 years of service credit
2.5% benefit factor	At least age 65 with at least 20 years of service credit, or At least age 55 with at least 25 years of service credit, or Any age with at least 30 years of service credit

Members joining system between July 1, 1999 and December 31, 2010

2.5% benefit factor	At least age 60 with at least 5 years of service credit, or At least age 55 with at least 25 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced), or Any age with at least 30 years of service credit

Members first eligible to join and hired between January 1, 2011 and June 30, 2015

2.5% benefit factor	At least age 60 with at least 5 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced)

Members first eligible to join and hired on or after July 1, 2015

2.5% benefit factor	At least age 62 with at least 5 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced)

(5) RETIREMENT BENEFITS (CONTINUED)

Members hired before July 1, 2015

2.0% benefit factor	At least age 60 with at least 5 years of service credit, or At least age 55 with at least 30 years of service credit

Members first eligible to join and hired on or after July 1, 2015

2.0% benefit factor	At least age 62 with at least 5 years of service credit, or Any age with at least 20 years of service credit (actuarially reduced)

Benefit Formula - TRSL

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the benefit factor, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

Payment Options – TRSL

A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. However in lieu of the maximum monthly benefit, the member may elect to receive a reduced monthly benefit (based on a named beneficiary's age). In addition, all options (except Option 1) are allowed a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.
Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced monthly benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

Deferred Retirement Option Program (DROP) – TRSL

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or as an additional annuity based upon the account balance.

(5) RETIREMENT BENEFITS (CONTINUED)

Disability Retirement Benefits - TRSL

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

Survivor Benefits – TRSL

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) 50% of the member's benefit calculated at the 2.5% benefit factor for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.
Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) $300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments - TRSL

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of ad hoc 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.

Contributions – TRSL

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 sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The agency's contractually required composite contribution rate for the year ended June 30, 2021 was 25.0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $19,488 for the year ended June 30, 2022.

(5) RETIREMENT BENEFITS (CONTINUED)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – TRSL

At June 30, 2022, the Authority reported a liability of $88,143 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Agency's proportion was .001650% which was a decrease of .0000001% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Agency recognized pension expense of $19,468 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $20.

At June 30, 2022, the Agency 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	$ 450	$ 1,333
Change in assumptions	8,580	-
Net difference between projected and actual earnings on pension plan investments	-	59,499
Changes in proportion and differences between employer contributions and proportionate share of contributions	79	40,462
Employer contributions subsequent to the measurement date	19,488	-
Total	$ 28,597	$ 101,294

(5) RETIREMENT BENEFITS (CONTINUED)

The $19,488 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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 ending June 30:		
2023	$	(24,354)
2024		(24,017)
2025		(25,810)
2026		(18,004)
Total	$	(92,185)

Actuarial Assumptions – TRSL

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

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected Remaining Service Lives	5 years
Investment rate of return	7.40% net of investment expenses*
Inflation rate	2.3% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service
Cost-of-living adjustments	None
Mortality	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System's members.

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions – TRSL (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 rate of return was 7.87% for 2021. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return*
Domestic equity	27.0%	4.21%
International equity	19.0%	5.23%
Domestic fixed income	13.0%	0.44%
International fixed income	5.5%	0.26%
Private equity	25.5%	8.48%
Other private assets	10.0%	4.27%

Discount Rate - TRSL

The discount rate used to measure the total pension liability was 7.40%.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined contribution 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 - TRSL

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.40%, 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 (6.40%) or one percentage-point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Authority's proportionate share of the net pension liability	$ 145,868	$ 88,143	$ 39,590

(5) RETIREMENT BENEFITS (CONTINUED)

Pension Plan Fiduciary Net Position – TRSL

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL's 2021 Comprehensive Annual Financial Report at www.trsl.org.

(6) OTHER POST-EMPLOYMENT BENEFITS

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined-benefit, multi-employer other postemployment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3:303. Benefit provisions are established under LA R.S. 42:851 for health insurance benefits and LA R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of LA R.S. 42:802. The Plan does not issue a stand-alone report.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, and 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, 2021. 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.

Employer Contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans. The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

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

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

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

At June 30, 2022, the Authority reported a liability of $1,025,836 for its proportionate share of the total collective OPEB liability. The net OPEB liability was measured as of July 01, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportionate share of the total collective OPEB liability at June 30, 2021 was based on a projection of the Authority's total OPEB liability relative to the projected total OPEB liability of all participating employers, actuarially determined. At July 01, 2022, the Authority's proportion was .011203%, an increase of .000208% from its proportion at July 01, 2021.

For the year ended June 30, 2022 the Authority recognized OPEB expense of $32,109. At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,604	$ 595
Change in assumptions	75,368	45,859
Changes in proportion and differences between employer contributions and proportionate share of contributions	105,768	236,447
Employer contributions subsequent to the measurement date	109,709	-
Total	$ 311,449	$ 282,901

The $109,709 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense (benefit) as follows:

Year ending June 30:		
2022	$	(73,332)
2023		(44,729)
2024		21,623
2025		15,277
Total	$	(81,161)

Actuarial assumptions and other inputs

The total collective OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, level percentage of pay
Expected Remaining Service Lives	4.50 years
Inflation Rate	Consumer Price Index (CPI) 2.4%
Salary increase rate	Consistent with state's pension plan
Discount rate	2.18% based on the S&P Municipal Bond 20-year high grade rate index
Mortality rates	Based on the RP-2014 Blue Collar Employee Table, adjusted by .978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018
Healthcare cost trend rates	7.00% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2032; 5.50% for post-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2032-2033 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from the 2.66% as of July 1, 2020 to 2.18% as of July 1, 2021, and the healthcare cost trend rate assumption was updated based on National Health Care Trend Survey information.

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the primary government of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.18%) or one percentage point higher (3.18%) than the current discount rate:

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
Authority's proportionate share of the collective total OPEB liability	$ 1,242,790	$ 1,025,836	$ 858,072

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the primary government of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Authority's proportionate share of the collective total OPEB liability	$ 864,456	$ 1,025,836	$ 1,241,000

(7) LEASES

The LMA manages and leases boat slips, land, and building space to certain parties. At June 30, 2022, the total cost of the land, buildings and improvements leased to others is $191 million. At June 30, 2022, these assets had $99 million of related accumulated depreciation. Current year rents amount to $5.2 million, which include $805,249 of interest on long-term leases.

The LMA's proprietary funds report lease receivables on leases that convey control to the use of OLD's nonfinancial assets and exist for a maximum term of greater than 12 months. Generally, boat slips are leased on a yearly basis and do not qualify for recognition.

The lease receivable for long-term leases are recognized at the commencement of the lease term at the present value of lease payments expected to be received during the lease period. LMA management has determined that a discount rate of 3.5% applies broadly to its leases. Lease payments are subject to CPI and fair market value adjustments, depending on the term of the lease and tenant renewal options. These variable payments are reflected in the lease receivable value when remeasurement occurs.

(7) LEASES (CONTINUED)

Future minimum rental payments to be received under these leases are as follows for the years ending June 30, 2022:

	Present Value of Payments					
	Lakefront Airport	Orleans Marina	New Basin Canal	NonMajor	Total Interest	Future Minimum Payments
2023	$ 315,319	$ 212,877	$ 532,588	$ 120,726	$ 786,866	$ 1,968,376
2024	316,598	206,957	551,493	120,627	746,225	1,941,900
2025	300,169	214,291	571,063	66,310	704,972	1,856,805
2026	290,689	221,891	591,330	24,839	665,197	1,793,946
2027	296,038	229,761	612,315	-	625,751	1,763,865
2028 - 2032	489,700	1,246,846	3,248,110	-	2,575,143	7,559,799
2033 - 2037	151,155	1,151,071	2,180,667	-	1,811,378	5,294,271
2038 - 2042	135,951	189,887	1,536,375	-	1,368,410	3,230,623
2043 - 2047	161,902	49,964	1,554,880	-	1,047,919	2,814,665
2048 - 2052	192,806	49,374	1,580,768	-	741,316	2,564,264
2053 - 2057	77,579	58,773	801,382	-	487,565	1,425,299
2058 - 2062	10,172	69,960	671,135	-	334,145	1,085,412
2063 - 2067	-	39,648	50,676	-	267,420	357,744
2068 - 2072	-	35,305	60,322	-	251,909	347,536
2073 - 2077	-	1,932	71,803	-	236,774	310,509
2078 - 2082	-	-	85,470	-	223,090	308,560
2083 - 2087	-	-	101,738	-	206,822	308,560
2088 - 2092	-	-	121,103	-	187,457	308,560
2093 - 2097	-	-	144,154	-	164,406	308,560
2098 - 2102	-	-	171,592	-	136,968	308,560
2103 - 2107	-	-	204,253	-	104,307	308,560
2108 - 2112	-	-	243,131	-	65,429	308,560
2113 - 2117	-	-	242,718	-	19,558	262,276
	$ 2,738,078	$ 3,978,537	$ 15,929,066	$ 332,502	$ 13,759,027	$ 36,737,210

(8) LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following schedules summarize the changes in long-term debt during the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Governmental Activities:					
Compensated absences	$ 78,901	$ -	$ (1,114)	$ 77,787	$ -
Net pension liability	-	371,820	-	371,820	-
Net OPEB liability	75,633	-	(3,824)	71,809	-
Total governmental activities	154,534	371,820	(4,938)	521,416	-
Business-Type Activities:					
Compensated absences	86,439	28,415	-	114,854	-
Net pension liability	5,432,604	-	(1,490,872)	3,941,732	-
Net OPEB liability	869,774	84,253	-	954,027	-
Total business-type activities	6,388,817	112,668	(1,490,872)	5,010,613	-
Total governmental and business-type activities	$ 6,543,351	$ 484,488	$ (1,495,810)	$ 5,532,029	$ -

(9) CONTINGENT LIABILITIES

A variety of claims have been made against the Authority and its districts in a number of pending lawsuits. Management has regular litigation reviews, including updates from outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. The Authority accrues an undiscounted liability for those contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Authority does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Authority discloses the nature of the contingency and, where feasible, an estimate of the possible loss. For purposes of our contingency disclosures, "significant" includes material matters as well as other matters which management believes should be disclosed. The Authority and its districts will continue to defend itself vigorously in these matters. Based on a consideration of all relevant facts and circumstances, the Authority does not believe the ultimate outcome of any currently pending lawsuit against the Authority will have a material, or adverse effect upon the Authority's operations, financial condition, or financial statements taken as a whole.

It is the opinion of the Authority, after conferring with legal counsel for the Authority, that several of the potential claims against the Authority, while not classified as "probably," do not have the reasonable possibility of an unfavorable outcome, so no liability has been booked.

(9) CONTINGENT LIABILITIES (CONTINUED)

Federally Assisted Grant Programs

The Authority participates in a number of federally-assisted grant programs. The programs are subject to compliance audits under the Office of Management and Budget Uniform Grant Guidance. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Authority believes that the amount of disallowances, if any, which may arise from future audits, will not be material.

Sewerage and Water Board of New Orleans

The Lakefront Management Authority had issues with public infrastructure leading to water leaks during the year ended June 30, 2021 and continuing into the 2023 fiscal year. The LMA had approximately $4.6 million in water charges from the Sewerage and Water Board of New Orleans (SWB) as of June 30, 2022. LMA management believes that a reasonable settlement will be achieved with the SWB and has therefore estimated a range of likely probabilities for an estimation of the accrual. As of June 30, 2022, the Authority accrued approximately $600,000 in payables to the SWB.

(10) TAX ABATEMENT

Orleans Parish

The City of New Orleans (the City) negotiates property tax abatement agreements on behalf of the city and its component units. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The District, through the City, has tax abatement agreements with seventeen commercial entities participating in the Restoration Tax Abatement (RTA) program as of June 30, 2021. The RTA projects have property assessed at $5,201,081 with exempt taxes attributable to the District of approximately $340,000.

(11) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.” The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Statement did not have a material effect on the Authority’s financial statements upon implementation.

The GASB has issued Statement No. 91, “Conduit Debt Obligations.” The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Statement did not have a material effect on the Authority’s financial statements upon implementation.

(11) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 92, "Omnibus 2020." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements are effective upon issuance. The remaining requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Statement did not have a material effect on the Authority's financial statements upon implementation.

The GASB has issued Statement No. 93, "Replacement of Interbank Offered Rates." The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2021. The Statement did not have a material effect on the Authority's financial statements upon implementation.

The GASB has issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately.

The GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements." Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority plans to adopt this Statement as applicable by the effective date.

(11) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Statement did not have a material effect on the Authority's financial statements upon implementation.

The GASB has issued Statement No. 98, "The Annual Comprehensive Financial Report". The primary objectives of this Statement are to (1) duties that a governing board typically would perform; (2) mitigate costs associated with the plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, The requirements of this Statements are effective for fiscal year ending after December 15, 2021. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 99, "Omnibus 2022". The primary objectives of this Statement are to (1) duties that a governing board typically would perform; (2) mitigate costs associated with the plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, The requirements of this Statements are effective for fiscal year ending after December 15, 2021. The Authority plans to adopt this Statement as applicable by the effective date.

REQUIRED SUPPLEMENTARY INFORMATION

LAKEFRONT MANAGEMENT AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS) - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Amended Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Tax revenue	$ 2,100,000	$ 1,775,000	$ 1,736,873	$ (38,127)
Miscellaneous income	74,500	74,500	243,102	168,602
Investment income (loss)	76,500	76,500	14,225	(62,275)
Total revenues	2,251,000	1,926,000	1,994,200	68,200
EXPENDITURES:				
Personnel services	428,338	428,338	229,524	198,814
Travel and training	7,500	7,500	3,348	4,152
Professional services	1,403,200	1,403,200	1,780,564	(377,364)
Contractual services	295,000	295,000	146,663	148,337
Materials and supplies	150,712	150,712	496,132	(345,420)
Other charges	21,000	21,000	21,515	(515)
Capital outlays	27,000	27,000	-	27,000
Total expenditures	2,332,750	2,332,750	2,677,746	(344,996)
Excess (deficiency) of revenues over (under) expenditures	(81,750)	(406,750)	(683,546)	(276,796)
Net change in fund balance	(81,750)	(406,750)	(683,546)	
Fund balance, beginning of year	546,487	546,487	546,487	
Fund balance, end of year	$ 464,737	$ 139,737	$ (137,059)	

See independent auditors' report and accompanying notes to combined financial statements.

LAKEFRONT MANAGEMENT AUTHORITY

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2022*

	2022	2021	2020	2019	2018	2017	2016	2015
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM								
Authority's Proportion of the Net Pension Liability	0.06601%	0.07008%	0.0627%	0.0688%	0.0598%	0.0587%	0.0580%	0.0577%
Authority's Proportionate Share of the Net Pension Liability	$ 4,225,409	$ 5,796,107	$ 4,544,377	$ 4,688,722	$ 4,211,394	$ 4,607,924	$ 3,942,864	$ 3,606,517
Authority's Covered Payroll	$ 1,497,952	$ 1,400,537	$ 1,371,808	$ 1,181,204	$ 1,092,345	$ 1,024,891	$ 983,879	$ 1,017,612
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.08%	413.85%	331.27%	396.94%	385.54%	449.60%	400.75%	354.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.8%	58.0%	62.9%	62.5%	62.5%	57.7%	62.7%	65.0%
TEACHERS' RETIREMENT SYSTEM OF LOUISIANA								
Authority's Proportion of the Net Pension Liability	0.00165%	0.00165%	0.00233%	0.00144%				
Authority's Proportionate Share of the Net Pension Liability	$ 88,143	$ 183,539	$ 231,145	$ 141,917				
Authority's Covered Payroll	$ 80,807	$ 78,921	$ 107,005	$ 64,494				
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	232.56%	232.56%	216.01%	220.05%				
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.9%	65.6%	68.6%	68.2%				

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

**The amounts presented have a measurement date of June 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.*

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30,

	2022	2021	2020	2019	2018	2017	2016	2015
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM								
Contractually Required Contribution	$ 687,981	$ 5,677,241	$ 570,019	$ 519,915	$ 447,993	$ 391,200	$ 381,924	$ 374,236
Contributions in Relation to the Contractually Required Contribution	(687,981)	(5,677,241)	(570,019)	(519,915)	(447,993)	(391,200)	(381,924)	(374,236)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll	$ 1,815,252	$ 1,497,952	$ 1,400,537	$ 1,371,808	$ 1,181,204	$ 1,092,345	$ 1,024,891	$ 983,879
Contributions as a Percentage of Covered-Employee Payroll	37.90%	37.90%	40.70%	37.90%	37.93%	35.81%	37.26%	38.04%
TEACHERS' RETIREMENT SYSTEM OF LOUISIANA								
Contractually Required Contribution	$ 19,488	$ 22,626	$ 20,356	$ 27,821	$ 17,220			
Contributions in Relation to the Contractually Required Contribution	(19,488)	(22,626)	(20,356)	(27,821)	(17,220)			
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -			
Authority's Covered-Employee Payroll	$ 75,643	$ 80,807	$ 78,921	$ 107,005	$ 64,494			
Contributions as a Percentage of Covered-Employee Payroll	28.00%	28.00%	25.79%	26.00%	26.70%			

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

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, *

	2022	2021	2020	2019	2018	2017
OFFICE OF GROUP BENEFITS						
Authority's Proportion of the Net OPEB Liability	0.01120%	0.01140%	0.01310%	0.01710%	0.02180%	0.02180%
Authority's Proportionate Share of the Net OPEB Liability	$ 1,025,836	$ 945,408	$ 1,012,488	$ 1,461,203	$ 1,894,619	$ 1,977,939
Authority's Covered Payroll	$ 1,387,639	$ 1,236,541	$ 1,371,808	$ 1,181,204	$ 1,092,345	$ 1,024,891
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	73.93%	76.46%	73.81%	123.70%	173.45%	192.99%

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

**The amounts presented have a measurement date of July 1 of the prior year.*

(1) PENSION PLAN SCHEDULES

Change of Benefit Terms

For the valuation year ended June 30, 2017, there was a 1.5% cost of living increase effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session and added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

For the valuation year ended June 30, 2016, there was a 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and, 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.

There were no changes in benefit terms during any other years presented.

Changes of Assumptions

For the valuation year ended June 30, 2021, the investment rate of return was increased from 7.55% to 7.60%. The inflation rate was also increased from 2.3% to 2.5%.

For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%. The inflation rate was also decreased from 2.5% to 2.3%. The remaining expected service lives assumption was reduced from 3 years to 2 years.

During the year ended June 30, 2019, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.4% – 14.3% to 3.2% – 14.0%.

During the year ended June 30, 2018, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.70% to 7.65%.

During the year ended June 30, 2017, the LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.75% to 7.70%. LASERS lowered its inflation rate assumption from 3.0% to 2.75%. Additionally, LASERS adjusted the ranges of its salary increase assumptions from 3.6% – 14.5% to 3.4% – 14.3%.

There were no changes in assumptions during any other years presented.

(2) OPEB SCHEDULE

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

Change of Benefit Terms

There were not changes in benefit terms for the valuation dates presented.

(2) OPEB SCHEDULE (CONTINUED)

Changes of Assumptions

For the July 1, 2021 valuation, the discount rate changed from 2.66% to 2.13%. Baseline per capita costs were updated to reflect 2021 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2022 premiums. 2021 medical claims and enrollment experience were reviewed but not included in the projection of expected 2022 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

For the July 1, 2020 valuation, the discount rate changed from 2.79% to 2.66%. Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

For the July 1, 2019 valuation, the discount rate was adjusted to 2.79%. Additionally, per capita costs and premiums were updated, certain demographic assumptions were revised, high cost excise tax was removed, and life insurance contributions were adjusted.

For the July 1, 2018 valuation, the discount rate has decreased from 3.13% to 2.98%. Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums. Demographic assumptions were revised for the Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana to reflect recent experience studies. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018. The percentage of future retirees assumed to

OTHER SUPPLEMENTARY INFORMATION

LAKEFRONT MANAGEMENT AUTHORITY

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2022

Agency Head:
Louis Capo (Executive Director)

	Louis Capo
Salary	$ 137,580
Benefits-health insurance	7,859
Benefits-retirement	57,117
Benefits-life insurance	673
Benefits-FICA and Medicare	1,995
Car allowance	9,000
	$ 214,224

See independent auditors' report.

SINGLE AUDIT SECTION

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

To the Board of Commissioners
Lakefront Management Authority Board
New Orleans, 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 *Governmental Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lakefront Management Authority (the "Authority") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 may exist that have not been identified.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Lakefront Management Authority
December 15, 2022

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the boards of commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 15, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Lakefront Management Authority
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lakefront Management Authority's (the "Authority") 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 Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority 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, 2022.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority 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 Authority's compliance with the compliance requirements referred to above.

4227 Canal Street
New Orleans, LA 70119
P: (504) 486-7275 | F: (504) 482-2516

Ericksen Krentel LLP
www.EricksenKrentel.com

2895 Highway 190, Ste 213
Mandeville, LA 70471
P: (985) 727-0777 | F: (985) 727-6701

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 Authority's federal programs.

Auditor's 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 Authority'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 Authority'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 Authority'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 Authority'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 Authority's internal control over compliance. Accordingly, no such opinion is expressed.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Lakefront Management Authority
December 15, 2022

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.

Report on Internal Control over Compliance

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 Auditor's 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.

December 15, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Homeland Security			
Pass - Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-4484-LA	$ 150,945
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-4611-LA	603,562
Total U.S. Department of Homeland Security			754,507
Federal Aviation Administration			
Airport Improvement Program	20.106	03-22-0038-031-2018	270,223
Airport Improvement Program	20.106	03-22-0038-032-2021	47,979
Airport Improvement Program	20.106	H.013215	33,123
Total Federal Aviation Administration			351,325
Total expenditures of federal awards			$ 1,105,832

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS AND* TITLE 2 *U.S. CODE OF FEDERAL REGULUATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

All federal grant operations of the Lakefront Management Authority ("the Authority) are included in the scope of the single audit. The program which was a major program and was selected for specific testing was:

Disaster Grants – Public Assistance (Presidentially Declared) (AL No. 97.036)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2022.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Authority has met the qualifications for the respective grants.

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the Authority. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures will be reversed in the remaining grant period.

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2022.

NOTE 4 – INDIRECT COST RATE

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Lakefront Management Authority.

2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements of the Lakefront Management Authority were reported in the Independent Auditor's 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.*

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for the Lakefront Management Authority expresses an unmodified opinion.

6. There were no audit findings required to be reported– in accordance with 2 CFR section 200.516(a).

7. No management letter was issued for the year ended June 30, 2022.

8. The program tested as a major program was:

	AL Number
Disaster Grants – Public Assistance (Presidentially Declared)	97.036

9. The threshold for distinguishing Types A and B programs was $750,000.

10. Lakefront Management Authority was determined to be a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2022.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to major federal award programs for the year ended June 30, 2022.

LAKEFRONT MANAGEMENT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2021.

SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to major federal award programs for the year ended June 30, 2021.

SECTION III - MANAGEMENT LETTER

There was no management letter for the year ended June 30, 2021.