

SABINE RIVER AUTHORITY
State of Louisiana



Financial Statements
June 30, 2022 and 2021

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Sabine River Authority
State of Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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 Sabine River Authority as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Sabine River 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sabine River Authority as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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 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 Sabine River 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sabine River 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Sabine River 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 Sabine River 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required schedules for the pension and OPEB liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Sabine River Authority's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2022, on our consideration of Sabine River 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 Sabine River 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 Sabine River Authority's internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
August 27, 2022

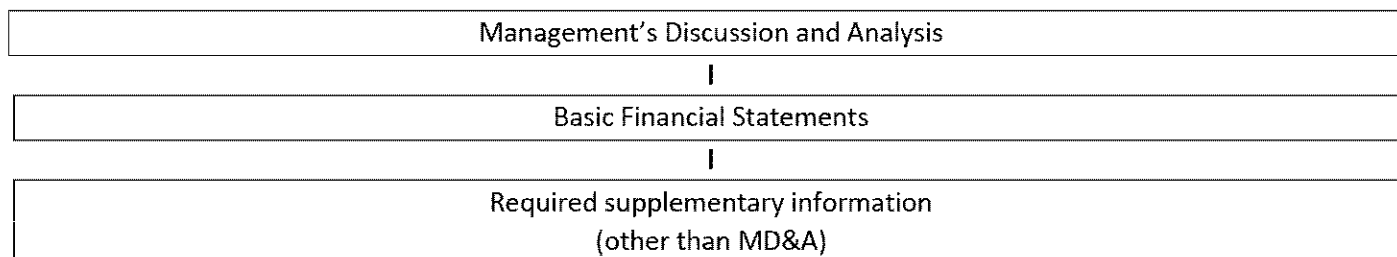
The Management’s Discussion and Analysis of the Sabine River Authority’s financial performance presents a narrative overview and analysis of Sabine River Authority’s financial activities for the year ended June 30, 2022. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the Sabine River Authority’s financial statements.

FINANCIAL HIGHLIGHTS

- ❖ The Sabine River Authority’s assets exceeded its liabilities at the close of fiscal year 2022 by \$85,780,606 which represents an 2.03% increase from last fiscal year. The net position increased by \$1,710,241.
- ❖ The Sabine River Authority’s operating revenues decreased \$9,530,176 (or 39.87%) from the prior year. The decrease is primarily due to a decrease in miscellaneous revenue from prior year amounts from FEMA related to the Hurricane Laura Debris Removal Project.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements) and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Sabine River Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; The Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (pages 7 – 8) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Sabine River Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 9) presents information showing how Sabine River Authority’s (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets 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 (pages 10 – 11) presents information showing how Sabine River Authority’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position As of June 30, (in thousands)

	2022	2021
Current and other assets	\$ 52,957	\$ 54,001
Capital assets	53,324	53,932
Total assets	<u>106,281</u>	<u>107,933</u>
Deferred outflows, related to pensions and OPEB	1,892	2,927
Current liabilities	1,545	2,494
Long-term debt outstanding	18,744	22,278
Total liabilities	<u>20,289</u>	<u>24,772</u>
Deferred inflows, related to pensions and OPEB	2,103	2,018
Net position:		
Net investment in capital assets	44,502	44,014
Restricted for debt service and power	5,906	6,469
Unrestricted	35,373	33,587
Total net position	<u>\$ 85,781</u>	<u>\$ 84,070</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, and grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Statement of Revenues, Expenses, and Changes in Fund Net Position
for the years ended June 30,
(in thousands)

	Total	
	2022	2021
Operating revenues	\$ 14,375	\$ 23,905
Operating expenses	11,967	17,960
Operating income (loss)	2,408	5,945
Non-operating revenues	-	115
Non-operating expenses	(698)	(324)
Income (loss) before transfers	1,710	5,736
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ 1,710	\$ 5,736

The Sabine River Authority's (BTA) total revenues decreased \$9,530,176 (or 39.87%). The total cost of all programs and services decreased by \$5,993,147 or (33.37%).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year end June 30, 2022, the Sabine River Authority had \$53,323,851 (net of depreciation and amortizations) invested in a broad range of capital assets, including land, reservoirs and waterways, dams and electric plant, water and pumping plant, recreation site improvements, and equipment. This amount represents a net decrease (including additions and deductions) of \$608,161 over last year.

Debt

The Sabine River Authority had \$8,822,000 in bonds and notes outstanding at year-end, compared to \$9,918,000 last year, and a decrease of 11.05% as shown in the table below.

The Sabine River Authority Bonds are unrated.

	Outstanding Debt at Year End (in thousands)	
	<u>2022</u>	<u>2021</u>
Revenue Bonds and Notes	\$ <u>8,822</u>	\$ <u>9,918</u>
Totals	\$ <u>8,822</u>	\$ <u>9,918</u>

CONTACTING THE SABINE RIVER AUTHORITY'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sabine River Authority's finances and to show the Sabine River Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Warren Founds, Executive Director at (318) 256-4112.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Statements of Net Position
As of June 30,**

Assets	2022	2021
Current Assets:		
Cash and cash equivalents	\$ 12,898,313	\$ 15,458,104
Cash and cash equivalents - restricted	5,905,965	6,469,187
Accounts receivable	7,828,484	8,953,070
Total Current Assets	<u>26,632,762</u>	<u>30,880,361</u>
Noncurrent Assets:		
Investments - restricted	397,235	518,283
Investments - unrestricted	21,447,131	17,956,485
Total Investments	<u>21,844,366</u>	<u>18,474,768</u>
Property and Equipment:		
Land	1,434,915	1,434,915
Reservoirs and waterways	18,000,579	18,000,579
Dams and electric plant	23,697,392	23,697,392
Water and pumping plant	44,355,025	44,355,025
Recreation and conference center	13,333,163	13,333,163
Recreation site improvements	7,262,505	7,239,375
Buildings	3,885,307	3,499,279
Roads and parking lots	3,006,609	3,006,609
Fish pavilions	840,742	840,742
Golf course	5,070,134	5,070,134
Equipment	7,414,701	6,864,145
Construction in progress	4,259,373	2,274,252
Less accumulated depreciation	(79,236,594)	(75,683,598)
Total Property, Plant and Equipment	<u>53,323,851</u>	<u>53,932,012</u>
Other Assets:		
FERC License	4,430,676	4,535,028
Loan Costs	49,312	60,865
Deposits	-	50,437
Total Other Assets	<u>4,479,988</u>	<u>4,646,330</u>
Total Noncurrent Assets	<u>79,648,205</u>	<u>77,053,110</u>
Total Assets	<u>106,280,967</u>	<u>107,933,471</u>
Deferred Outflows		
Deferred outflows of resources related to pensions	1,217,094	2,503,364
Deferred outflows of resources related to OPEB	674,507	423,025
Deferred outflows of resources	1,891,601	2,926,389
Total Assets and Deferred Outflows	<u>\$ 108,172,568</u>	<u>\$ 110,859,860</u>

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Statements of Net Position (continued)
As of June 30,**

	2022	2021
Liabilities and Net Assets		
Current Liabilities:		
Accounts and retainage payable	\$ 168,090	\$ 1,124,711
Deferred revenue	10,445	10,445
Accrued expenses	232,216	262,405
	410,751	1,397,561
Total Current Liabilities		
Current Liabilities Payable from Restricted Assets		
Current maturities of long-term debt	1,134,000	1,096,000
	1,134,000	1,096,000
Total Current Liabilities Payable from Restricted Assets		
Long-term Liabilities		
OPEB payable	5,469,270	5,154,596
Net pension liability	5,586,645	8,301,766
Bonds payable	7,688,000	8,822,000
	18,743,915	22,278,362
Total Long-term Liabilities		
	20,288,666	24,771,923
Total Liabilities		
Deferred Inflows		
Deferred inflows of Resources Related to Pensions	1,320,842	952,347
Deferred inflows of Resources Related to OPEB	782,454	1,065,225
	2,103,296	2,017,572
Net Position		
Net investment in capital assets	44,501,851	44,014,012
Restricted for debt service and power agreement	161,763	41,907
Restricted for capital projects	5,744,202	6,427,280
Unrestricted	35,372,790	33,587,166
	85,780,606	84,070,365
Total Liabilities and Net Position		
	\$ 108,172,568	\$ 110,859,860

The notes to the financial statements are an integral part of this statement.

SABINE RIVER AUTHORITY
STATE OF LOUISIANA
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30,

	2022	2021
Operating Revenues (substantially all pledged as security for revenue bonds):		
Power sales	\$ 2,789,341	\$ 6,849,924
Water sales	8,875,588	7,974,365
Park site rentals	1,229,387	1,119,331
Miscellaneous	1,480,552	7,961,424
Total Operating Revenues	14,374,868	23,905,044
Operating Expenses:		
Operating and maintenance	8,312,376	14,103,089
Depreciation and amortization	3,654,441	3,856,875
Total Operating Expenses	11,966,817	17,959,964
Operating Income (Loss)	2,408,051	5,945,080
Non-operating Revenues (Expenses):		
Investment income (loss)	(407,340)	115,251
Interest expense	(290,470)	(323,873)
Capital contributions	-	-
Net Non-operating Revenues (Expenses)	(697,810)	(208,622)
Change in Net Position	1,710,241	5,736,458
Net Position - Beginning of Year	84,070,365	78,333,907
Net Position - End of Year	\$ 85,780,606	\$ 84,070,365

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Statements of Cash Flows
For the Years Ended June 30,**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	15,499,454	16,559,633
Payments to suppliers	(6,685,257)	(9,615,783)
Payments to employees and benefits	(3,947,459)	(3,999,423)
Net Cash Provided (Used) by Operating Activities	4,866,738	2,944,427
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Purchase of capital assets	(2,933,233)	(3,143,607)
Principal paid on capital debt	(1,096,000)	(1,059,000)
Interest paid on capital debt	(290,470)	(323,873)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,319,703)	(4,526,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net redemption (purchase) of investments and CD's	(3,708,330)	477,193
Interest received	38,282	115,251
Net Cash Provided (Used) by Investing Activities	(3,670,048)	592,444
Net Increase (Decrease) in Cash and Cash Equivalents	(3,123,013)	(989,609)
Cash and Cash Equivalents - Beginning of Year	21,927,291	22,916,900
Cash and Cash Equivalents - End of Year	18,804,278	21,927,291
Cash and cash equivalents shown on balance sheet as:		
Current assets: Cash and cash equivalents	12,898,313	15,458,104
Restricted assets: Cash and cash equivalents	5,905,965	6,469,187
	18,804,278	21,927,291

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Statements of Cash Flows (Continued)
For the Years Ended June 30,**

	2022	2021
Reconciliation of Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 2,408,051	\$ 5,707,454
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	3,654,441	3,848,180
(Increase) decrease in receivables	1,124,586	(7,102,785)
(Increase) decrease in other assets	61,990	(41,113)
Increase (decrease) in accounts payable	(956,621)	909,057
Increase (decrease) in other accrued expenses	(30,189)	(45,359)
Increase (decrease) in pension and OPEB liabilities	(1,395,520)	(331,007)
Total Adjustments	2,458,687	(2,763,027)
Net Cash Provided (Used) by Operating Activities	\$ 4,866,738	\$ 2,944,427

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements
Year Ended June 30, 2022**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Sabine River Authority, State of Louisiana, have been prepared in conformity with accounting principles generally accepted in the United States of America applied to government units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

The office of Statewide Reporting and Accounting Policy is requiring all component units of the state to implement GASB Statement No. 34, "Basis Financial Statements – and Management's Discussion and Analysis – for State and Local Governments".

Reporting Entity

Sabine River Authority, a component unit of the State of Louisiana, was created under Title 38, Chapter 2, of the Louisiana Revised Statutes of 1950, comprised of R. S. 38:2321 through 38:2337. The Authority is charged with the development of the Sabine River Basin within the State of Louisiana. The Authority derives its revenue from the sale of hydroelectric power from the Toledo Bend Dam, water sales from the Toledo Bend Reservoir and Sabine River Diversion Canal, permit and recreation area fees and other miscellaneous revenue. At the 1991 Session of the Louisiana Legislature, Act 272 transferred the Authority to the Louisiana Department of Transportation and Development.

The Authority is an autonomous self-supporting governmental unit with no taxing powers covering all or a portion of six parishes in the Sabine Basin and is administered by a thirteen-member Board of Directors appointed by the Governor to four-year terms which are concurrent with the Governor.

Fund Accounting

In prior years, the Authority, for financial reporting purposes, consisted of a general fund, debt service fund and account groups. These fund and groups were designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

For the 1994-95 fiscal year, the Legislative Auditor determined the Authority's accounting system should consist of an enterprise fund (proprietary fund type). This enterprise fund accounts for the acquisition, operation, and maintenance of Authority facilities and services. All enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements
Year Ended June 30, 2022**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Compensated Absences

Classified employees of the Sabine River Authority accumulate annual and sick leave at various rates depending on their years of service. These employees may accumulate unlimited amounts of annual and sick leave. Upon termination or death, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of *Accounting for Compensated Absences*. (GASB Code Sec. C60) no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Cash and Cash Equivalents

Cash and cash equivalents are short-term liquid investments with an original maturity of three months or less.

Accounts Receivable

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become un-collectible, they will be charged to operating expenses when that determination is made.

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 Employee's Retirement system (LASERS) and additions to deductions from LASERS fiduciary net position have been determined on the same basis as they are reported by LASERS.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements
Year Ended June 30, 2022**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

Property, plant, and equipment are stated at historical costs. Fixed assets in excess of \$1,000 are required to be capitalized. Depreciation has been provided using the straight-line method at annual rates as follows:

Dams and electric plants	1.50%
Water and pumping plant	1.50% - 5.00%
Buildings	2.00% - 5.00%
Equipment	4.00% - 20.00%
Roads and parking lots	3.33% - 5.00%
Golf course	2.00%

Budgets and Budgetary Accounting

The Authority prepares a budget for use in planning and controlling costs. The budget and any changes are approved by the Board of Commissioners.

Restricted Assets

The restricted assets consist of a bond sinking fund, bond reserve fund, bond operating reserve funds, and contingency and replacement reserve funds on revenue bonds. The bond sinking, operating reserve, and contingency and replacement reserve funds are segregated as required by the bond indentures and power agreements, totaled \$161,763 as of June 30, 2022. The funds restricted for construction as of June 30, 2022 were \$5,744,202.

Rates and Regulations

The Louisiana Public Service Commission (LPSC) has original jurisdiction over the electric rates charged by the Authority. The rate year runs from May to April and starts at \$0.054 per kWh. Water rates are established by the Authority's Board of Commissioners.

Risk Management

The Authority is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

Estimates

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (continued)
Year Ended June 30, 2022**

Note 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

The Authority may deposit funds within a fiscal agent bank selected and designated by the Board of Commissioners. Further, the Authority may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares or savings and loan associations and savings banks and in share accounts and share certificate accounts of federally chartered credit unions.

At year end, the carrying amount of the Authority’s demand and time deposits was \$8,014,820 and the book balance was \$7,287,766. Of the bank balance, all was covered by federal depository insurance and pledged collateral held by the pledging institution’s agent but not in the entity’s name.

	Fair Value
Cash and equivalents categorized:	\$ 7,287,766
Cash and equivalents not categorized:	
Money Market Funds *	11,134,866
Certificats of deposit (not cash equivalent)	-
Total	\$ 18,422,632

*The underlying investments consist solely of and are limited to securities of the United States government or its agencies. The Authority does not have a policy relative to custodial credit risk or interest rate risk.

Note 3 – FIXED ASSETS

Balances of fixed assets acquired through the Joint Operation between Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas in the amount of \$50,486,102 was obtained from audited financial statements. Depreciation expense for the year ended June 30, 2022 was \$3,541,394.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (continued)
Year Ended June 30, 2022**

Note 4 – CONSTRUCTION IN PROGRESS

The Authority has various construction projects in progress as of June 30, 2022. Estimated costs to complete such contracts total approximately \$10,299,000. Estimated completion dates vary.

Note 5 – LONG-TERM DEBT

Outstanding long-term debt of Sabine River Authority, State of Louisiana for the year ended June 30, 2022 consist of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount (000's)</u>
Revenue Bonds:				
Series 2018	2018	2028	3.10%	\$ 12,000

The bonds are secured by the Authority's net cash flows.

	<u>Outstanding 6/30/2021 (000's)</u>	<u>Added</u>	<u>Retired</u>	<u>Outstanding 6/30/2021 (000's)</u>
Revenue Bonds:				
Series 2018	9,918	-	(1,096)	8,822
Total long-term debt	\$ 9,918	\$ -	\$ (1,096)	\$ 8,822

See "Annual Fiscal Report" starting on page 41 for the schedule of future principal and interest payments.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 6 – PER DIEM PAID COMMISSION MEMBERS

The Authority is comprised of thirteen members who are appointed by the Governor. Per diem payment to members and payments for Compact for the year ended June 30, 2022 were as follows:

Kenneth Ebarb	\$ 1,600
George Brandon	200
Daniel Culpit	1,400
Jeremy Evans	1,600
James Foret, Jr.	1,800
Byron Gibbs	1,800
Henry Goodeaux	2,000
Allen Jeane	1,400
Richard McComic	1,800
Kevin Mitchell	1,600
Therman Nash	1,800
James Pratt	200
Estelia Scott	1,800
Stanley Vidrine	2,000
Dayna Yeldell	1,400
	<u>\$ 22,400</u>

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM

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 (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan Description

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. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

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

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

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

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

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

2. Deferred Retirement Benefits

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

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

3. Disability Benefits

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

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

4. Survivor's Benefits

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

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

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

5. Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:104) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member’s salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2022 for the various plans follow:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular Employees and Appellate Law Clerks			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	40.1%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	40.1%
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	40.1%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	40.1%

The Authority’s contractually required composite contribution rate for the year ended June 30, 2022 was 40.1% 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 Authority were \$810,462 for the year ended June 30, 2022.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

At June 30, 2022, the Employer reported a liability of \$5,586,645 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 0.10150%, which was an increase of 0.00112% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Authority recognized pension expense of \$391,664 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$641,556.

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,517	\$ -
Changes of assumptions	136,840	-
Net difference between projected and actual earnings on pension plan investments	-	1,302,827
Changes in proportion and differences between Employer contributions and proportionate share of contributions	264,275	18,015
Employer contributions subsequent to the measurement date	810,462	-
Total	<u>\$ 1,217,094</u>	<u>\$ 1,320,842</u>

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

The Authority reported \$810,462 as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date. This will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 996,282
2024	\$ (176,838)
2025	\$ (295,990)
2026	\$ (579,986)

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.40% per annum, net of investment expenses*
Inflation Rate	2.3% per annum
Mortality	<p>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.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
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.
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**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021. Best estimates of geometric 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:

Expected Long Term Real Rates of Return	
<u>Asset Class</u>	<u>2021</u>
Cash	-0.29%
Domestic Equity	4.09%
International Equity	5.12%
Domestic Fixed Income	0.49%
International Fixed Income	3.94%
Alternative Investments	6.93%
Total Fund	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 rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.40%, 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 or one percentage point higher than the current rate:

	<u>1.0% Decrease (6.40%)</u>	<u>Current Discount Rate (7.40%)</u>	<u>1.0% Increase (8.40%)</u>
Employer's proportionate share of the net pension liability	<u>\$ 7,569,483</u>	<u>\$ 5,586,645</u>	<u>\$ 3,899,501</u>

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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.

Note 8 – POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan Description and Benefits Provided

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 R.S. 42:851 for health insurance benefits and 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 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, 2020. 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:

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 8 – POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

OGB Participation	Employer Share	Retiree 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.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At June 30, 2022, the Authority reported a liability of \$5,469,270 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date.

The Authority's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2022, the Authority's proportion was .0597% which represents a decrease of -0.0025% from the Authority's proportion at June 30, 2021.

The total collective OPEB liability in the July 1, 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) 2.40%
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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 8 – POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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 4.50% in 2033; 5.50% for post-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.50% in 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 2.66% as of July 1, 2020 to 2.18% as of July 1, 2021.

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate

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

	1.0% Decrease (1.18%)	Current Discount Rate (2.18%)	1.0% Increase (3.18%)
Proportionate Share of Total Collective OPEB liability	\$ 6,338,637	\$ 5,469,270	\$ 4,770,007

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

The following presents the District's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates as well as what the District's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	1% Decrease (6.00% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.00% decreasing to 4.5%)	1% Increase (8.00% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	\$ 4,764,703	\$ 5,469,270	\$ 6,353,360

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 8 – POST RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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

For the year ended June 30, 2022, the District recognized OPEB benefit of \$65,976. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 401,828	\$ (244,498)
Differences between benefit payments and proportionate share of benefit payments	9,226	(534,781)
Differences between expected and actual experience	109,850	(3,175)
Amounts paid by the employer for OPEB subsequent to the measurement date	<u>153,603</u>	<u>-</u>
Total	<u>\$ 674,507</u>	<u>\$ (782,454)</u>

Deferred outflows of resources related to OPEB resulting from the District's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u>	<u>Net Amount Recognized in OPEB Expense</u>
2023	(59,863)
2024	(84,454)
2025	13,890
2026	<u>22,480</u>
	<u>(107,947)</u>

Note 9 – LITIGATION

The Authority is subject to various claims and lawsuits which may arise in the ordinary course of business. After consulting with counsel representing the Authority in connection with such claims and lawsuits, it is the opinion of management and counsel that the disposition or ultimate determination of such claims and lawsuits will not have a material effect on the financial position of the Authority. The Authority is subject to a claim for property damages that of the opinion of legal counsel is reasonably possible of a loss to the Authority. However, an estimate of loss or range of loss cannot be made at this time.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 10 – CONTINGENT LIABILITIES

Public law 98-571 directed the Federal Energy Regulatory Commission (FERC) to waive annual administration charges for the use of United States lands during the remaining term of the license to operate the Toledo Bend Joint Project (Project). The license expires fifty years from August 29, 2014. The waiver is contingent upon FERC determining that the power from the Project is sold to the public without profit. All exemptions applied for through June 30, 2022 have been approved.

Note 11 – LEASE OF RECREATIONAL FACILITY

The Authority leased property and facilities, including the conference center, golf course, club house, cart storage building, service center buildings, restaurants, stores, tennis courts, activity center, pool, and other commercial property, if and when constructed on the leased property for 75 years beginning on May 1, 2000 to ALH Properties No. Five, Inc. ALH will pay rent to the Authority as follows:

Opening date through December 31, 2001 – 1% of annual gross revenue.

Calendar year 2002 through 2004 – 1.5% of annual gross revenue.

Calendar year 2005 and thereafter – 2.0% of annual gross revenue up to \$5,000,000, 4.0% of annual gross revenue between \$5,000,000 and \$6,000,000, 5.0% of annual gross revenue between \$6,000,000 and \$7,000,000, 5.5% of annual gross revenue between \$7,000,000 and \$8,000,000, 6.0% of annual gross revenue between \$8,000,000 and \$9,000,000, 6.5% of annual gross revenue between \$9,000,000 and \$10,000,000, and 7.0% of annual gross revenue over \$10,000,000.

Contingent rentals received for the year end June 30, 2022 was \$0. SRA has entered into an Agreement (the "Agreement") with Sabine Bank & Trust company ("Bank"). It provides for SRA to subordinate any and all liens, privileges, pledges, or other rights granted to SRA by Louisiana Civil Code Article 2705, et seq., or Louisiana Civil Code Article 3218, et seq., with respect to all of ALH's inventory, goods, equipment, and other movable property ("Collateral") situated on property SRA leased to ALH to the rights of Bank. SRA also agreed that in the event of any foreclosure, sale, or other disposition of any of the Collateral, the rights of Bank in said Collateral shall in all respects prime those of SRA and Bank shall be paid by preference and priority to and over any claim of SRA.

Note 12 – RECLASSIFICATIONS

Certain reclassifications may have been made to the June 30, 2022 financial statements in order for them to be better compared to the June 30, 2021 financial statements.

Note 13 – SUBSEQUENT EVENTS

The Authority evaluated its June 30, 2022 financial statements for subsequent events through August 27, 2022, the date the financial statements were available to be issued. The recent coronavirus pandemic could have a detrimental impact on the Authority's operations and funding. The impact is unknown at the time the financial statements were available to be issued.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

Note 14 – RELATED PARTY TRANSACTIONS

Included in accounts receivable at June 30, 2022 are amounts due from Toledo Bend Joint Operations of \$120,687. Included in accounts payable at June 30, 2022 are amounts due to Toledo Bend Joint Operations of \$90,442.

NOTE 15 – INVESTMENTS

The Sabine River Authority does maintain investment accounts as authorized by LSA-RS 33:2955.

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty’s trust department or agent, but not in the entity’s name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. The following investments are uninsured, unregistered and held by counterparty’s trust department or agent not in the entity’s name.

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

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

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

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income Investments	\$ 21,844,366	\$ -	\$ 21,844,366	\$ -

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2022**

NOTE 15 – INVESTMENTS (continued)

Fixed Income Investments include United States Treasury securities, corporate bonds, and municipality bonds.

Fair values for the Authority's investments categorized in Level 1 would have been obtained using quoted prices from active markets in which these securities are traded. Fair values for investments categorized in Level 2 have been provided by the Authority's investment advisors, or other sources and are based on other observable inputs. The District has no investments categorized in Level 3.

Sabine River Authority
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended June 30, 2022

Agency Head Name: Warren Founds

Purpose	
Salary	\$ 140,669
Benefits - insurance	10,501
Benefits - retirement	55,564
Deferred compensation (contributions made by the agency)	-
Benefits - other (pair of shoes)	-
Benefits - other (fuel district vehicle)	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$ 206,734</u>

Sabine River Authority
Schedule of Employer's Proportionate Share of Net Pension Liability
Last Ten Fiscal Years (1) (2)

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.10150%	0.10038%	0.09121%	0.13014%	0.10971%	0.11032%	0.12789%	0.09914%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,586,645	\$ 8,301,766	\$ 6,608,230	\$ 8,875,112	\$ 7,722,300	\$ 8,662,621	\$ 8,698,246	\$ 6,199,304
Employer's Covered-Employee Payroll	\$ 2,145,359	\$ 2,105,298	\$ 1,814,307	\$ 2,518,440	\$ 2,045,473	\$ 2,074,111	\$ 2,427,237	\$ 1,826,509
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	260.41%	394.33%	364.23%	352.41%	377.53%	417.65%	358.35%	339.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.8%	58.0%	62.9%	64.3%	62.5%	57.7%	62.7%	65.0%

The amounts presented have a measurement date of the previous fiscal year end.

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

(2) The amounts presented have a measurement date of the previous fiscal year end.

Sabine River Authority
Schedule of Pension Contributions
Last Ten Fiscal Years (1)

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2022	\$ 847,417	\$ 857,680	\$ (10,263)	\$ 2,145,359	39.98%
2021	\$ 844,224	\$ 819,982	\$ 24,242	\$ 2,105,298	38.95%
2020	\$ 738,423	\$ 819,982	\$ (81,559)	\$ 1,814,307	45.20%
2019	\$ 954,489	\$ 733,168	\$ 221,321	\$ 2,518,440	29.11%
2018	\$ 775,234	\$ 776,264	\$ (1,030)	\$ 2,045,473	37.95%
2017	\$ 742,532	\$ 734,329	\$ 8,203	\$ 2,074,111	35.40%
2016	\$ 902,932	\$ 797,358	\$ 105,574	\$ 2,427,237	32.85%
2015	\$ 679,461	\$ 481,736	\$ 197,725	\$ 1,826,509	26.37%

The amounts presented have a measurement date of the previous fiscal year end

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

For reference only:

1. Employer contribution rate multiplied by employer's covered employee payroll
2. Actual employer contributions remitted to Retirement Systems
3. Employer's covered employee payroll amount for the fiscal year ended June 30, 2022.

Notes to Required Supplementary Information
For the Year Ended June 30, 2022

Notes to Required Supplementary Information

Changes of Benefit Terms include:

- 2015 1) A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
2015 2) Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014, and,
2017 3) A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and,
2017 4) Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.
- 2018 No changes in benefit terms in the June 30, 2017 valuation.
2019 No changes in benefit terms in the June 30, 2018 valuation.
2020 No changes in benefit terms in the June 30, 2019 valuation.
2021 No changes in benefit terms in the June 30, 2020 valuation.
2022 No changes in benefit terms in the June 30, 2021 valuation.

Changes of Assumptions include:

- 2018 There were several changes in assumptions for the June 30, 2017 valuation. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%. In addition, the projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.
- 2019 For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.70% to 7.65%. The inflation rate was also decreased from 2.75% to 2.5%.
- 2020 For the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.65% to 7.60%.
- 2021 For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%.
- 2022 For the valuation year ended June 30, 2021, the investment rate of return was decreased from 7.55% to 7.40%.

Schedule of the Employer's Proportionate Share
of the Total Collective OPEB Liability
For the Year Ended June 30, 2022

	Fiscal Year*					
	2022	2021	2020	2019	2018	2017
Employer's proportion of the total collective OPEB liability	0.0597%	0.0622%	0.0678%	0.0675%	0.0706%	0.0706%
Employer's proportionate share of the total collective OPEB liability	\$ 5,469,270	\$ 5,154,596	\$ 5,236,469	\$ 5,762,596	\$ 6,134,302	\$ 6,404,069
Employer's covered-employee payroll	\$ 2,026,127	\$ 1,984,821	\$ 1,930,343	\$ 2,039,437	\$ 2,089,964	\$ 1,788,017
Employer's proportionate share of the total collective OPEB liability as a percentage of the covered-employee payroll	269.94%	259.70%	271.27%	282.56%	293.51%	358.17%

*The amounts presented were determined as of the measurement date (July 1).

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

Notes to Required Supplementary Information (Schedule 1)

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

Changes in assumptions -

There were several changes in assumptions for the July 1, 2018 valuation. The discount rate decreased from 5.13% 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 revised for the Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana to reflect 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-2018. The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

For the July 1, 2019 valuation, the discount rate changed from 2.89% to 2.79%. Baseline per capita costs were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. Life insurance contributions were updated to reflect 2020 premium schedules. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience study.

For the July 1, 2020 valuation, the discount rate changed from 2.79% to 2.66%. Baseline per capita costs (PCC's) 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, 2021 valuation, the discount rate changed from 2.66% to 2.18%. Baseline per capita costs (PCC's) 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.



**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 ACCORDANT WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Sabine River Authority
State of Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sabine River Authority as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Sabine River Authority's basic financial statements, and have issued our report thereon dated August 27, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sabine River 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sabine River Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Sabine River 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, misstatement 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sabine River 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 instance 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard and Company

Lake Charles, Louisiana
August 27, 2022

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

We have audited the financial statements of Sabine River Authority, State of Louisiana, as of and for the year ended June 30, 2022, and have issued our report thereon dated August 27, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2022 resulted in an unmodified opinion.

Section I – Summary of Auditor’s Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

1. Internal Control

Significant Deficiencies	_____ Yes	_____ <u>X</u> No
Material Weaknesses	_____ Yes	_____ <u>X</u> No
Compliance Material to Financial Statements	_____ Yes	_____ <u>X</u> No

2. Federal Awards – not applicable

Section II – Financial Statement Findings

Not applicable

Section III – Federal Award Findings and Questioned Costs

Not applicable

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Schedule of Prior Year Findings
Year Ended June 30, 2022**

Section I – Internal Control and Compliance Material to the Financial Statements – none.

Section II – Internal Control and Compliance Material to Federal Awards – Not applicable.

Section III – Management Letter. The prior year did not include a management letter.

Division of Administration Reporting Package

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-31 - Sabine River Authority
 PREPARED BY: Michael DeFalco
 PHONE NUMBER: 337-439-6600
 EMAIL ADDRESS: Mike.defalco@bc-cpa.com
 SUBMITTAL DATE: 08/22/2022 12:53 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	12,898,313.39
RESTRICTED CASH AND CASH EQUIVALENTS	5,905,965.38
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	7,828,483.80
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$26,632,762.57

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	397,235.34
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	21,447,131.12
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	1,434,915.50
BUILDINGS AND IMPROVEMENTS	11,725,295.57
MACHINERY AND EQUIPMENT	785,402.33
INFRASTRUCTURE	35,118,863.69
OTHER INTANGIBLE ASSETS	4,430,676.49
CONSTRUCTION IN PROGRESS	4,259,373.20
INTANGIBLE RIGHT-TO-USE LEASED ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
OTHER NONCURRENT ASSETS	49,311.56
TOTAL NONCURRENT ASSETS	\$79,648,204.80
TOTAL ASSETS	\$106,280,967.37

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED OUTFLOW OF RESOURCES	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

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LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	674,506.55
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,217,093.76
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$1,891,600.31

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$108,172,567.68**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	184,171.78
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	10,444.66
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	1,134,000.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00

TOTAL CURRENT LIABILITIES **\$1,328,616.44**

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	216,133.52
LEASE LIABILITY	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	7,688,000.00
TOTAL OPEB LIABILITY	5,469,270.00
NET PENSION LIABILITY	5,586,645.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00

UNEARNED REVENUE 0.00

TOTAL LONG-TERM LIABILITIES **\$18,960,048.52**

TOTAL LIABILITIES **\$20,288,664.96**

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-31 - Sabine River Authority
PREPARED BY: Michael DeFalco
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SUBMITTAL DATE: 08/22/2022 12:53 PM

SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	782,454.16
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	1,320,842.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$2,103,296.16

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	44,501,851.00
RESTRICTED FOR:	
CAPITAL PROJECTS	5,744,202.00
DEBT SERVICE	161,763.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$35,372,790.56
TOTAL NET POSITION	\$85,780,606.56

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-31 - Sabine River Authority
PREPARED BY: Michael DeFalco
PHONE NUMBER: 337-439-6600
EMAIL ADDRESS: Mike.defalco@bc-cpa.com
SUBMITTAL DATE: 08/22/2022 12:53 PM

STATEMENT OF ACTIVITIES

PROGRAM REVENUES

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
12,702,906.75	14,374,867.11	0.00	0.00	\$1,671,960.36

GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	38,281.80
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	\$1,710,242.16
NET POSITION - BEGINNING	\$84,070,364.40
NET POSITION - RESTATEMENT	0.00
NET POSITION - ENDING	\$85,780,606.56

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-31 - Sabine River Authority
PREPARED BY: Michael DeFalco
PHONE NUMBER: 337-439-6600
EMAIL ADDRESS: Mike.defalco@bc-cpa.com
SUBMITTAL DATE: 08/22/2022 12:53 PM

DUES AND TRANSFERS

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

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

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 PREPARED BY: Michael DeFalco
 PHONE NUMBER: 337-439-6600
 EMAIL ADDRESS: Mike.defalco@bc-cpa.com
 SUBMITTAL DATE: 08/22/2022 12:53 PM

SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
Series 2018	09/01/2018	12,000,000.00	8,822,000.00	0.00	\$ 8,822,000.00	0.00
		Totals	\$8,822,000.00	\$0.00	\$8,822,000.00	\$0.00

Series - Unamortized Premiums:

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

Series - Unamortized Discounts:

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-31 - Sabine River Authority
PREPARED BY: Michael DeFalco
PHONE NUMBER: 337-439-6600
EMAIL ADDRESS: Mike.defalco@bc-cpa.com
SUBMITTAL DATE: 08/22/2022 12:53 PM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2023	1,134,000.00	255,905.00
2024	1,174,000.00	220,131.00
2025	1,215,000.00	183,101.50
2026	1,257,000.00	144,785.50
2027	1,301,000.00	105,136.50
2028	1,347,000.00	64,092.50
2029	1,394,000.00	21,607.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$8,822,000.00	\$994,759.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-31 - Sabine River Authority
PREPARED BY: Michael DeFalco
PHONE NUMBER: 337-439-6600
EMAIL ADDRESS: Mike.defalco@bc-cpa.com
SUBMITTAL DATE: 08/22/2022 12:53 PM

Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2021 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported. 153,603.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 2,026,127.00

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2021 - 6/30/2022). This information will be provided to the actuary for the valuation report early next year. 0.00

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

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

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FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount
Total	\$0.00

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SUBMITTAL DATE: 08/22/2022 12:53 PM

SUBMISSION

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

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

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

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