

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
LAKE CHARLES, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Year Ended June 30, 2022

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

December 15, 2022

Board of Commissioners
Gulf Coast Soil and Water Conservation District
Lake Charles, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Gulf Coast Soil and Water Conservation District, as of and for the year ended June 30, 2022, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Information

The accompanying schedule of compensation, benefits, and other payments to chief executive officer 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 financial statements. The supplementary information has been subject to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Board of Commissioners
Gulf Coast Soil and Water Conservation District
December 15, 2022

Required Supplemental Information

Accounting principles generally accepted in the United States of America required that the following supplemental information be presented to supplement the basic financial statements:

- Budgetary Comparison Schedules
- Schedule of Employer's Proportionate Share of Net Pension Liability
- Schedule of Employer Contributions

Such information, 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. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited such required supplemental information, and, accordingly, we do not express an opinion on such information.

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, we have issued a report, dated December 15, 2022, on the results of the agreed-upon procedures.

A handwritten signature in cursive script that reads "Shagron, Casiday, Shillory".

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Statement of Net Position

June 30, 2022

ASSETS	
Cash	\$ 374,319
Accounts receivable	63,532
Capital assets, net of accumulated depreciation	57,472
Net pension asset	71,763
Total assets	<u>567,086</u>
DEFERRED OUTFLOWS OF RESOURCES	
	14,143
LIABILITIES	
Accounts payable	13,575
Accrued compensated absences	2,098
Total liabilities	<u>15,673</u>
DEFERRED INFLOWS OF RESOURCES	
	51,909
NET POSITION	
Net investment in capital assets	57,472
Unrestricted	456,175
Total net position	<u>\$ 513,647</u>

The accompanying notes and independent accountants' review report are an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Statement of Activities

Year Ended June 30, 2022

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General government	\$ 208,411	\$ -	\$ 242,245	\$ 33,834
		General Revenues:		
				69
				447
			Total General Revenues	<u>516</u>
			Change in Net Position	<u>34,350</u>
			Net Position, beginning	444,146
			Prior period adjustment	<u>35,151</u>
			Net Position, beginning - Restated	<u>479,297</u>
			Net Position, ending	<u><u>\$ 513,647</u></u>

The accompanying notes and independent accountants' review report are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Balance Sheet - Governmental Fund

June 30, 2022

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash	\$ 191,279	\$ 183,040	\$ 374,319
Accounts receivable	4,183	59,349	63,532
Total assets	195,462	242,389	437,851
 DEFERRED OUTFLOWS OF RESOURCES	-	-	-
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 195,462	\$ 242,389	\$ 437,851
 LIABILITIES			
Accounts payable	\$ 4,756	\$ 8,819	\$ 13,575
Accrued compensated absences	2,098	-	2,098
Total liabilities	6,854	8,819	15,673
 DEFERRED INFLOWS OF RESOURCES	-	-	-
 FUND BALANCE			
Fund balance - unassigned	188,608	233,570	422,178
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 195,462	\$ 242,389	\$ 437,851

The accompanying notes and independent accountants' review report are an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

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

June 30, 2022

Total fund balance for governmental fund at June 30, 2022		\$ 422,178
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets, net of \$27,030 accumulated depreciation		57,472
Deferred outflows and inflows for pension resources are not financial resources or currently payable:		
Deferred inflows related to pension	\$ (51,909)	
Deferred outflows related to pension	14,143	(37,766)
Long-term liability which is not included as a liability in the governmental fund type balance sheet:		
Net pension asset (liability)		71,763
Total net position of governmental activities at June 30, 2022		\$ 513,647

The accompanying notes and independent accountants' review report are an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Fund

Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental revenues:			
CPRA	\$ -	\$ 61,310	\$ 61,310
NACD	-	46,868	46,868
Ravegitation	-	39,597	39,597
FSPF	-	31,043	31,043
WRE	-	-	-
Farm bill	11,144	-	11,144
State funds	46,572	-	46,572
Tree funds	5,911	-	5,911
Other revenues			
Interest income	69	-	69
Other income	447	-	447
Seed sales	-	-	-
TOTAL REVENUES	64,143	178,818	242,961
EXPENDITURES			
Operating			
Operating services	10,805	8,130	18,935
Personal services	61,062	106,367	167,429
Supplies	2,986	27,384	30,370
Travel	1,652	-	1,652
Capital outlay	-	-	-
TOTAL EXPENDITURES	76,505	141,881	218,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(12,362)	36,937	24,575
FUND BALANCE - BEGINNING			
Prior Period Adjustment	-	35,151	35,151
FUND BALANCE - BEGINNING - Restated	200,970	196,633	397,603
FUND BALANCE - ENDING			
	\$ 188,608	\$ 233,570	\$ 422,178

The accompanying notes and independent accountants' review report are an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

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

Year Ended June 30, 2022

Total net changes in fund balance at June 30, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$	24,575
The change in net position reported for governmental activities in the statement of activities different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance		\$	-
Depreciation expense for the year ended June 30, 2022		<u>(10,720)</u>	<u>(10,720)</u>
Net pension expense is reported in the governmental funds as well as expenditures as they are paid, however, in the statement of activities the net position expense is reported according to estimates required by GASB 68: Pension benefit per GASB 68			<u>20,495</u>
Total changes in net position at June 30, 2022 per Statement of Activities		\$	<u>34,350</u>

The accompanying notes and independent accountants' review report are an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Gulf Coast Soil and Water Conservation District comprises all of Calcasieu and Cameron Parishes located in Southwest Louisiana. The district was formed in 1945, and its goals are to coordinate conservation activities and educational programs, and to provide technical assistance to landowners and units of government on the use of their soil, water, and related resources. The Gulf Coast Soil and Water Conservation District provides technical assistance to District Co-operators and others through education, planning, and implementation of sound conservation practices to treat critical natural resource concerns.

1. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net position and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District has two funds, the General Fund and a Special Revenues Fund, which is therefore considered its major funds.

2. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

3. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2022, the District had \$374,319 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance, and \$124,319 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

4. Budget

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

On or before the last meeting of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The Board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

5. Accounts receivable

Accounts receivable consists of intergovernmental revenues. There is no allowance for bad debt; all is deemed collectable.

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Building	40 years
Equipment	5 years

7. Estimates

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

8. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as assigned and unassigned.

- a. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.
- b. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balance shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

8. Subsequent Events

Management has evaluated subsequent events as of December 15, 2022, the date the financial statements were available for issue.

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2022 follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Buildings	\$ 35,121	\$ -	\$ -	\$ 35,121
Equipment	49,381	-	-	49,381
	<u>84,502</u>	<u>-</u>	<u>-</u>	<u>84,502</u>
Less accumulated depreciation	16,310	10,720	-	27,030
TOTALS	<u>\$ 68,192</u>	<u>\$ (10,720)</u>	<u>\$ -</u>	<u>\$ 57,472</u>

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE B – CAPITAL ASSETS – CONTINUED

Depreciation expense was \$10,720 for the year ended June 30, 2022.

NOTE C - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

Parochial Employees' Retirement System

The System is composed of two distinct plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan B. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan B, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE C - RETIREMENT COMMITMENTS – CONTINUED

Plan members are required to contribute 3% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.07% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended June 30, 2022 totaled \$9,048.

At June 30, 2022, the District reported an asset of \$71,763 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2021, the District's proportion was .12842%.

For the year ended June 30, 2022, the District recognized pension expense of \$33,698 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$739. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 7,627
Difference between expected and actual assumption	2,883	-
Difference between expected and actual Investment	1,364	46,751
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	848	(2,469)
Contributions subsequent to the measurement date	9,048	-
Total	\$ 14,143	\$ 51,909

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE C - RETIREMENT COMMITMENTS – CONTINUED

\$9,048 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other accounts 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:	Amount
2023	\$ (9,529)
2024	(19,674)
2025	(13,330)
2026	(4,282)
2027	-
Thereafter	-

Actuarial methods and assumption. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense, including inflation)
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.25%
Inflation Rate	2.30%

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE C - RETIREMENT COMMITMENTS – CONTINUED

Cost of Living Adjustments	The present values of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees using MP2018 scale for disabled annuitants. Multiplying each table by 130% for males and 125% for females.

The discount rate used to measure the total pension liability was 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and projected on a forward looking basis in equilibrium, in which best-estimates 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 rates 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 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

Continued

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE C - RETIREMENT COMMITMENTS – CONTINUED

Best estimates of arithmetic real rates of return for major asset class included in the System’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Total	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for the General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.40%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	Changes in Discount Rate		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	\$ (6,197)	\$ (71,763)	\$ (126,594)

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Notes to Financial Statements

June 30, 2022

NOTE D - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE E – PRIOR PERIOD ADJUSTMENT

The beginning net position on the special revenue fund has been restated to reflect an adjustment to record additional amounts in accounts receivable in the prior period:

	<u>Amount</u>
Net position at June 30, 2021	\$ 161,482
Accounts receivable	<u>35,151</u>
Net position at June 30, 2021 - restated	<u><u>\$ 196,633</u></u>

REQUIRED SUPPLEMENTAL INFORMATION

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2022

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
CPRA	\$ -	\$ -	\$ -	\$ -
NACD	-	-	-	-
Ravegitation	-	-	-	-
FSPP	-	-	-	-
WRE	-	-	-	-
Farm bill	17,355	11,150	11,144	(6)
State funds	46,568	46,572	46,572	-
Tree funds	5,912	5,912	5,911	(1)
Other revenues				
Interest income	145	70	69	(1)
Other income	-	247	447	200
Seed sales	-	-	-	-
TOTAL REVENUES	<u>69,980</u>	<u>63,951</u>	<u>64,143</u>	<u>192</u>
EXPENDITURES				
Operating				
Operating services	3,288	9,310	10,805	(1,495)
Personal services	60,250	64,350	61,062	3,288
Supplies	2,450	3,000	2,986	14
Travel	500	1,700	1,652	48
Capital outlay	500	-	-	-
TOTAL EXPENDITURES	<u>66,988</u>	<u>78,360</u>	<u>76,505</u>	<u>1,855</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,992	(14,409)	(12,362)	2,047
FUND BALANCE - BEGINNING	<u>200,970</u>	<u>200,970</u>	<u>200,970</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 203,962</u>	<u>\$ 186,561</u>	<u>\$ 188,608</u>	<u>\$ 2,047</u>

The independent accountants' review report is an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Budgetary Comparison Schedule - Special Revenue Fund

Year Ended June 30, 2022

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
CPRA	\$ 42,175	\$ 62,895	\$ 61,310	\$ (1,585)
NACD	46,868	46,868	46,868	-
Ravegitation	39,597	39,597	39,597	-
FSPP	127,000	36,300	31,043	(5,257)
WRE	-	-	-	-
Farm bill	-	-	-	-
State funds	-	-	-	-
Other revenues				
Interest income	-	-	-	-
Other income	-	-	-	-
Seed sales	-	-	-	-
TOTAL REVENUES	255,640	185,660	178,818	(6,842)
EXPENDITURES				
Operating				
Operating services	7,000	7,300	8,130	(830)
Personal services	116,750	108,350	106,367	1,983
Supplies	47,000	27,100	27,384	(284)
Travel	-	-	-	-
Capital outlay	77,248	425	-	425
TOTAL EXPENDITURES	247,998	143,175	141,881	1,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	7,642	42,485	36,937	(5,548)
FUND BALANCE - BEGINNING				
Prior Period Adjustment	161,482	161,482	161,482	-
FUND BALANCE - BEGINNING - Restated	35,151	35,151	35,151	-
	196,633	196,633	196,633	-
FUND BALANCE - ENDING				
	\$ 204,275	\$ 239,118	\$ 233,570	\$ (5,548)

The independent accountants' review report is an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended June 30, 2022

Parochical Employees' Retirement System of Louisiana

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Employer's portion of the net pension liability (asset)	0.12842%	0.09803%
Employer's proportionate share of the net pension liability (asset)	\$ 71,763	\$ 25,168
Employer's covered payroll	\$ 126,744	\$ 108,800
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	56.62%	23.13%
Plan fiduciary net position as a percentage of the total pension liability	110.46%	106.76%

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

*The amounts presented have a measurement date of December 31, 2021.

The independent accountants' review report is an integral part of these financial statements.

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Schedule of Employer Contributions

Year Ended June 30, 2022

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
Parochical Employees' Retirement System of Louisiana					
2021	\$ 9,189	\$ 9,189	\$ -	\$ 108,800	8.4%
2022	\$ 9,048	\$ 9,048	\$ -	\$ 126,744	7.1%

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

The independent accountants' review report is an integral part of these financial statements.

OTHER INFORMATION

GULF COAST SOIL AND WATER CONSERVATION DISTRICT
Lake Charles, Louisiana

Schedule of Compensation, Benefits and Other Payments
to Chief Executive Officer

Year Ended June 30, 2022

Chief Executive Officer: Gene Douglas Miller

Salary	\$	-
Benefits-insurance		-
Benefits-retirement		-
Benefits-cell phone		-
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements-mileage		-
Reimbursements-meals		-
Travel		-
Registration fees		-
Conference travel		-
Housing		-
Unvouchered expenses		-
Special meals		-
Other		-

The independent accountants' review report is an integral part of these financial statements.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

December 15, 2022

Board of Commissioners
Gulf Coast Soil and Water Conservation District
Lake Charles, Louisiana

We have performed the procedures enumerated below on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022 as required by Louisiana Revised Status 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the District's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code); R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials and supplies exceeding \$30,000, or for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

Management provided us with the required list including the noted information.

145 East Street • Lake Charles, LA 70601
Mailing Address: P.O. Drawer 1847 • Lake Charles, LA 70602-1847
phone: 337.439.1986 • fax: 337.439.1366 • www.gcgcpa.com

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list including the noted information.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None.

5. Obtain a list of all disbursements made during the year; and a list of outside business interest of board members, employees and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the business of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with the original and amended budget for 2022.

7. Trace the budget adoption and amendments to the minute book.

We traced the adopted and the amended budgets to approval in the minutes.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. There were no variances of 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

The payments received proper approvals.

Meetings

10. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law).

We found no evidence of noncompliance.

Debt

11. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District and a review of payroll records indicated no payments for any bonuses, advances or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R. S. 24:513.

The District's report was due and filed by December 31, 2022.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (s); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

N/A. The District was in compliance with R.S. 24:513.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

None

Gulf Coast Soil and Water Conservation District
December 15, 2022
Page Four

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as the result of the testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Dragan, Casiday: Shillory

LOUISIANA ATTESTATION QUESTIONNAIRE

December 15, 2022

Gragson, Casiday & Guillory
P.O. Drawer 1847
Lake Charles, LA 70602

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2022 and for the year than ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-15), R.S. 39:33, or the budget requirements of LSA-RS 39:1331-1342.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations

Yes [] No []

We acknowledge that we are responsible or determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have provided you with all relevant information and access under the terms of our engagement

Yes No

We are not aware of any material misstatements in the information we have provided to you.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or the other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No

Danielle Vaid

Secretary/Treasurer