

FIFTH LOUISIANA LEVEE DISTRICT
A COMPONENT UNIT OF THE
STATE OF LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

Fifth Louisiana Levee District
State of Louisiana
Tallulah, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Fifth Louisiana Levee District (“District”), a component unit of the State of Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.



Fifth Louisiana Levee District
State of Louisiana
October 31, 2022

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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State of Louisiana
October 31, 2022

- 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, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of the District's Contributions and the Schedule of Changes in the Total OPEB Liability 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.

Fifth Louisiana Levee District
State of Louisiana
October 31, 2022

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Annual Fiscal Report (AFR) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. The Annual Fiscal Report (AFR) 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 procedures generally accepted in the United States of America. In our opinion, the other information 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 October 31, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

October 31, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2022

The purpose of this section is to offer Management's Discussion and Analysis of the Fifth Louisiana Levee District's (the District) financial performance during the year ended June 30, 2022. It should be read in conjunction with the financial report taken as a whole.

FINANCIAL HIGHLIGHTS

The District received acreage and ad valorem taxes for flood protection totaling approximately \$1.4 million.

The District's net pension and other post-employment benefits obligations at June 30, 2022, totaled \$1,320,844 and \$576,706, respectively representing a decrease of \$619,620 and increase of \$92,961, respectively from the fiscal year ended June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements are comprised of three components: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2022

The District uses only one fund type, a governmental fund. The governmental fund is used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the statement of governmental fund revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's proportionate share of the net pension liability and the District's pension contributions.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,580,342 at June 30, 2022. Included in the District's net position is its investment in capital assets, which consists primarily of land, levee infrastructure, buildings and equipment. These assets are not available for future spending.

The District's assets decreased by \$115,254, primarily due to depreciation of capital assets. Total liabilities decreased by \$606,009, primarily from changes in the net pension and OPEB liabilities.

Program revenues increased by \$172,022 primarily due to an increase in right of way reimbursements in the current year. Expenses increased by \$159,895 primarily due to costs related to right of way expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS
 FIFTH LOUISIANA LEVEE DISTRICT
 STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2022

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

Comparative Statements of Net Position
June 30, 2022 and June 30, 2021

| Assets: | <u>2022</u> | <u>2021</u> | <u>Change</u> | <u>Percent Change</u> |
|-------------------------------------|---------------------|---------------------|------------------|---------------------------|
| Current | \$ 2,065,365 | \$ 1,996,705 | \$ 68,660 | 3.4% |
| Capital assets, net | 7,506,402 | 7,690,316 | (183,914) | -2.4% |
| Total assets | <u>9,571,767</u> | <u>9,687,021</u> | <u>(115,254)</u> | <u>-1.2%</u> |
| Deferred outflows-pensions and OPEB | <u>392,724</u> | <u>549,609</u> | <u>(156,885)</u> | <u>-28.5%</u> |
| Liabilities: | | | | |
| Current liabilities | 40,334 | 85,973 | (45,639) | -53.1% |
| Noncurrent liabilities | 1,974,169 | 2,534,539 | (560,370) | -22.1% |
| Total liabilities | <u>2,014,503</u> | <u>2,620,512</u> | <u>(606,009)</u> | <u>-23.1%</u> |
| Deferred inflows-pensions and OPEB | <u>369,646</u> | <u>102,528</u> | <u>267,118</u> | <u>260.5%</u> |
| Net position: | | | | |
| Net investment in capital assets | 7,471,903 | 7,575,863 | (103,960) | -1.4% |
| Unrestricted | <u>108,439</u> | <u>(62,273)</u> | <u>170,712</u> | <u>274.1%</u> |
| Total net position | <u>\$ 7,580,342</u> | <u>\$ 7,513,590</u> | <u>\$ 66,752</u> | <u>0.9%</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS
 FIFTH LOUISIANA LEVEE DISTRICT
 STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2022

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

Comparative Statements of Activities
For the Years Ended June 30, 2022 and June 30, 2021

| Expenses: | <u>2022</u> | <u>2021</u> | <u>Change</u> | <u>Percent Change</u> |
|------------------------------------|-------------------------|-------------------------|----------------------|---------------------------|
| General government | \$ 2,783,250 | \$ 2,628,869 | \$ 154,381 | 5.9% |
| Depreciation | <u>277,359</u> | <u>271,845</u> | <u>5,514</u> | <u>2.0%</u> |
| Total expenses | <u>3,060,609</u> | <u>2,900,714</u> | <u>159,895</u> | <u>5.5%</u> |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | 156,391 | 89,598 | 66,793 | 74.5% |
| Operating grants and contributions | 1,541,222 | 1,435,993 | 105,229 | 7.3% |
| Capital grants and contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.0%</u> |
| Total program revenues | <u>1,697,613</u> | <u>1,525,591</u> | <u>172,022</u> | <u>11.3%</u> |
| General revenues: | | | | |
| Property taxes | 1,407,004 | 1,358,251 | 48,753 | 3.6% |
| Investment earnings | 6,586 | 36,673 | (30,087) | -82.0% |
| Miscellaneous | <u>16,158</u> | <u>23,066</u> | <u>(6,908)</u> | <u>-29.9%</u> |
| Total general revenues | <u>1,429,748</u> | <u>1,417,990</u> | <u>11,758</u> | <u>-108.4%</u> |
| Total revenues | <u>3,127,361</u> | <u>2,943,581</u> | <u>183,780</u> | <u>6.2%</u> |
| Change in net position | 66,752 | 42,867 | 23,885 | -103.4% |
| Net position, beginning | <u>7,513,590</u> | <u>7,470,723</u> | <u>42,867</u> | <u>0.6%</u> |
| Net position, ending | <u>\$ 7,580,342</u> | <u>\$ 7,513,590</u> | <u>\$ 66,752</u> | <u>0.9%</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS
 FIFTH LOUISIANA LEVEE DISTRICT
 STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, net of accumulated depreciation at June 30, 2022, totaled \$7,506,402. Additions during the year included \$107,587 for equipment purchases. Disposals of land and equipment during the year had a net book value of \$14,142.

Capital assets net of accumulated depreciation at June 30, 2022, are summarized as follows:

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Land | \$ 453,601 | \$ 453,601 |
| Right of way | 5,640,424 | 5,640,424 |
| Furniture and equipment | 2,732,004 | 2,659,056 |
| Buildings and improvements | 353,126 | 353,126 |
| Less: accumulated depreciation | <u>(1,672,753)</u> | <u>(1,415,891)</u> |
| Total capital assets, net of depreciation | <u>\$ 7,506,402</u> | <u>\$ 7,690,316</u> |

Debt Administration

For the year ended June 30, 2022, the District had one lease.

Leases at June 30, 2022 and 2021, are summarized as follows:

| | <u>2022</u> | <u>2021</u> |
|------------|------------------|-------------------|
| Current | \$ 34,499 | \$ 79,954 |
| Noncurrent | <u>-</u> | <u>34,499</u> |
| | <u>\$ 34,499</u> | <u>\$ 114,453</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- Millage rates for ad valorem taxes
- Upcoming projects
- Intergovernmental agreements

MANAGEMENT'S DISCUSSION AND ANALYSIS
FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2022

**CONTACTING THE FIFTH LOUISIANA LEVEE DISTRICT'S FINANCIAL
MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Jason Trichell at 318-574-2206.

BASIC FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2022

| | |
|---|---------------------|
| ASSETS: | |
| CURRENT ASSETS: | |
| Cash and cash equivalents | \$ 665,299 |
| Investments | 1,400,066 |
| Total Current Assets | <u>2,065,365</u> |
| NONCURRENT ASSETS: | |
| CAPITAL ASSETS: | |
| Land | 453,601 |
| Right of way | 5,640,424 |
| Furniture and equipment | 2,732,004 |
| Buildings and improvements | 353,126 |
| Less: accumulated depreciation | <u>(1,672,753)</u> |
| Total capital assets, net of depreciation | <u>7,506,402</u> |
| Total Noncurrent Assets | <u>7,506,402</u> |
| TOTAL ASSETS | <u>9,571,767</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | |
| Deferred outflows of resources-pensions | 293,627 |
| Deferred outflows of resources-OPEB | 99,097 |
| Total deferred outflows of resources | <u>392,724</u> |
| Total assets and deferred outflows of resources | <u>\$ 9,964,491</u> |
| LIABILITIES: | |
| CURRENT LIABILITIES: | |
| Accrued expenses | \$ 5,835 |
| Lease liability | 34,499 |
| Total Current Liabilities | <u>40,334</u> |
| NONCURRENT LIABILITIES: | |
| Compensated absences | 76,619 |
| OPEB liability | 576,706 |
| Net pension liability | 1,320,844 |
| Total Noncurrent Liabilities | <u>1,974,169</u> |
| TOTAL LIABILITIES | <u>2,014,503</u> |
| DEFERRED INFLOWS OF RESOURCES: | |
| Deferred inflows of resources-pensions | 308,516 |
| Deferred inflows of resources-OPEB | 61,130 |
| Total deferred inflows of resources | <u>369,646</u> |
| NET POSITION: | |
| Net investment in capital assets | 7,471,903 |
| Unrestricted | 108,439 |
| Total net position | <u>7,580,342</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 9,964,491</u> |

See accompanying NOTES TO FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | Net (Expense) Revenue and Changes in Net Position |
|--------------------------|---------------------|---------------------------------|---|---|--|
| General Government: | | | | | |
| General government | \$ 2,783,250 | \$ 156,391 | \$ 1,541,222 | \$ - | \$ (1,085,637) |
| Depreciation | 277,359 | - | - | - | (277,359) |
| Total General Government | <u>\$ 3,060,609</u> | <u>\$ 156,391</u> | <u>\$ 1,541,222</u> | <u>\$ -</u> | <u>\$ (1,362,996)</u> |
| General Revenues: | | | | | |
| Property taxes | | | | | 1,407,004 |
| Investment earnings | | | | | 6,586 |
| Miscellaneous revenues | | | | | 16,158 |
| Total General Revenues | | | | | <u>1,429,748</u> |
| Change in net position | | | | | 66,752 |
| Net Position: | | | | | |
| Beginning of the year | | | | | <u>7,513,590</u> |
| End of the year | | | | | <u>\$ 7,580,342</u> |

See accompanying NOTES TO FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2022

ASSETS:

| | |
|---------------------------|-------------------------|
| Cash and cash equivalents | \$ 665,299 |
| Investments | <u>1,400,066</u> |
| Total Assets | <u><u>2,065,365</u></u> |

LIABILITIES:

| | |
|-------------------|--------------|
| Accrued expenses | <u>5,835</u> |
| Total Liabilities | <u>5,835</u> |

FUND BALANCE:

| | |
|-------------------------------------|----------------------------|
| Committed-future property purchases | 700,000 |
| Unassigned | <u>1,359,530</u> |
| Total Fund Balance | <u>2,059,530</u> |
| Total Liabilities and Fund Balance | \$ <u><u>2,065,365</u></u> |

See accompanying NOTES TO FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances for governmental funds \$ 2,059,530

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:

| | | |
|---|--------------------|-----------|
| Land | 453,601 | |
| Right of way | 5,640,424 | |
| Furniture and equipment, net of \$1,008,840 accumulated depreciation | 2,732,004 | |
| Buildings and improvements, net of \$168,871 accumulated depreciation | 353,126 | |
| Less: accumulated depreciation | <u>(1,672,753)</u> | |
| Total capital assets, net of depreciation | | 7,506,402 |

Deferred outflows of resources used in governmental activities are not financial resources; therefore, they are not reported in these funds. 392,724

Liabilities, including compensated absences payable, capital lease obligations, net pension liability and post-employment benefits payable are not due and payable in the current period and; therefore, are not reported in the fund liabilities. (2,008,668)

Deferred inflows of resources used in governmental activities are not financial resources; therefore, they are not reported in these funds. (369,646)

Total net position of governmental activities \$ 7,580,342

See accompanying NOTES TO FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES:

| | |
|--|---------------|
| Property taxes | \$ 1,407,004 |
| State revenue sharing | 43,155 |
| Royalties, leases and land sales | 156,391 |
| Investment earnings | 6,586 |
| State of Louisiana right-of-way reimbursements | 1,498,067 |
| Miscellaneous revenues | <u>29,800</u> |

| | |
|----------------|------------------|
| Total Revenues | <u>3,141,003</u> |
|----------------|------------------|

EXPENDITURES:

| | |
|--------------------|----------------|
| General government | 2,889,209 |
| Capital outlay | <u>182,950</u> |

| | |
|--------------------|------------------|
| Total Expenditures | <u>3,072,159</u> |
|--------------------|------------------|

| | |
|---|---------------|
| EXCESS OF REVENUES OVER EXPENDITURES | <u>68,844</u> |
|---|---------------|

| | |
|-------------------------------|--------|
| CHANGE IN FUND BALANCE | 68,844 |
|-------------------------------|--------|

FUND BALANCE

| | |
|-----------------------|------------------|
| Beginning of the year | <u>1,990,686</u> |
|-----------------------|------------------|

| | |
|-----------------|----------------------------|
| End of the year | <u><u>\$ 2,059,530</u></u> |
|-----------------|----------------------------|

See accompanying NOTES TO FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net changes in fund balances - total governmental funds \$ 68,844

The change in net assets reported for governmental activities in the statement of activities is different because:

Gains and losses on disposals are not reported in the governmental funds; however they are reported as revenues or expenses in the statement of activities (13,642)

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. This is the amount by which capital outlays (\$107,587) were less than depreciation expense (\$277,359). (169,772)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported in governmental funds.

Compensated absences expense (788)
Pension expense (79,076)
Other post-employment benefits ("OPEB") expense (23,377)

Governmental funds report capital lease principal payments as expenditures. However, in the government-wide financial statements, these payments reduce the outstanding capital lease obligations as shown on the statement of net position. 79,954

Governmental funds report as OPEB and pension contributions as expenditures. However, in the government-wide financial statements, these payments are recorded as deferred outflows of resources as shown on the statement of net position.

OPEB contribution 537
Pension contribution 204,072

Change in net position \$ 66,752

See accompanying NOTES TO FINANCIAL STATEMENTS

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NATURE OF OPERATIONS

The Fifth Louisiana Levee District is a component unit of the State of Louisiana created by the Louisiana State Legislature under provisions of Louisiana Revised Statute 38:291 (E). The District provides flood protection primarily from the Mississippi River. The District is composed of eight commissioners appointed by the Governor of the State of Louisiana. As authorized by Louisiana Revised Statute 38:308, the President is compensated \$1,000 per month, and the remaining commissioners receive a per diem of \$67.50 per day and are reimbursed for their travel expenses. The District covers the Parishes of East Carroll, Madison, Tensas, and Concordia. Offices are in the city of Tallulah, Louisiana, and serve a population of approximately 47,000. The District employs approximately 20 people.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Capitalizing Assets

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

Program Revenues

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

Indirect Expenses

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

D. FUND ACCOUNTING

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

E. BASIS OF ACCOUNTING

The accompanying government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and

FIFTH LOUISIANA LEVEE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

E. BASIS OF ACCOUNTING (Continued)

business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated, and long-term obligations are reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses and such assets are not depreciated. Principal and interest paid on capital leases is reported as current expenses.

F. BUDGETS AND BUDGETARY ACCOUNTING

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

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

FIFTH LOUISIANA LEVEE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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H. CAPITAL ASSETS

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

| | Years |
|----------------------------|--------|
| Buildings and improvements | 40 |
| Furniture and equipment | 2 - 20 |

I. COMPENSATED ABSENCES

District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon determination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes.

The current portion of compensated absences payable (the amount estimated to be used during the period of availability) is recorded as a liability in the fund financial statements. The entire balance of compensated absences payable is recognized as a liability in the government-wide financial statements. The non-current portion represents a reconciling item between the fund and government-wide statements.

**J. PENSION AND OTHER POST-EMPLOYMENTS BENEFITS (“OPEB”)
LIABILITIES**

Pension and OPEB liabilities consist of amounts for the District’s proportionate share of the actuarially accrued net pension and OPEB liabilities. For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, OPEB, pension expense and OPEB expense, information about the fiduciary net position of the benefit provider, and additions to/deductions from the benefit provider’s fiduciary net position have been determined on the same basis as they are reported by the benefit provider. 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.

FIFTH LOUISIANA LEVEE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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K. FUND BALANCE

The District reports unassigned and committed fund balance. Unassigned fund balance represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Committed fund balance represents amounts that can be used only for specific purposes determined by a formal decision of the District's board of commissioners. When expenditure is incurred for which committed or unassigned fund balance is available the District considers amounts to have been spent first out of unassigned then committed.

L. NET POSITION

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

- (a) *Net investment in capital assets* consists of the District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to acquisition, construction, or improvement of these capital assets.
- (b) *Unrestricted* consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets. Unrestricted net position is used for transactions relating to the general operations of the District and may be used at its discretion to meet current expenses and for any purpose.

M. PROPERTY TAXES

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

N. USE OF ESTIMATES

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

O. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through October 31, 2022, the date the financial statements were available to be issued.

FIFTH LOUISIANA LEVEE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

2. CASH AND CASH EQUIVALENTS

At June 30, 2022, the District has cash (book balances) of \$665,299 in demand deposits. Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. Under state law, the District's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the District or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2022, the District had collected bank balances totaling \$1,862,796 which were completely collateralized by federal deposit insurance and pledged securities.

3. INVESTMENTS

The District maintains investment accounts as authorized by Louisiana R.S. 33.2955. At June 30, 2022, the District held \$1,400,066 in certificates of deposits ("CDs). At June 30, 2022, the CDs were not exposed custodial credit risk as they were completely collateralized by federal deposit insurance and pledged securities.

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.

Level 1 Inputs - The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 Inputs - The valuation is based on quoted market prices for similar instruments traded inactive 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; and

Level 3 Inputs - The valuation is determined by using the best information available under the circumstances and might include the government's own data. In developing unobservable inputs, a government may begin with its own data but 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.

The recorded values of cash and cash equivalents, certificates of deposit and accrued expenses approximate their fair values based on their short-term nature. The district recognizes transfers between levels in the fair values hierarchy at the end of the reporting period. All fair value measurements are considered Level 1 measurements as of June 30, 2022.

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

3. INVESTMENTS (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the District investments as per R.S 33:2955. The District does not have policies to further limit credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy states that the assets of the District shall be held in trust by the fiduciary (fiduciaries) designated by the District. For the U.S. Treasury obligations and U.S. Money Market funds, state law and District policy provides these are backed by the full faith and credit of the United States of America. Bonds issued by the State of Louisiana shall have a minimum investment grade rating of Baa3 or higher and have a final maturity of no more than three years.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District does not have policies to further limit concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to political subdivisions does not address interest rate risk. In addition, the District does not have policies to limit interest rate risk.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

| | Balance at June 30, 2021 | Additions | Deletions | Balance at June 30, 2022 |
|--|-----------------------------|---------------------|--------------------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 453,601 | \$ - | \$ - | \$ 453,601 |
| Right of way | 5,640,424 | - | - | 5,640,424 |
| Total capital assets not being depreciated | <u>6,094,025</u> | <u>-</u> | <u>-</u> | <u>6,094,025</u> |
| Capital assets being depreciated: | | | | |
| Furniture and equipment | 2,659,056 | 107,587 | (34,639) | 2,732,004 |
| Buildings and improvements | 353,126 | - | - | 353,126 |
| Total capital assets being depreciated | <u>3,012,182</u> | <u>107,587</u> | <u>(34,639)</u> | <u>3,085,130</u> |
| Less accumulated depreciation: | | | | |
| Furniture and equipment | (1,239,285) | (269,624) | 20,497 | (1,488,412) |
| Buildings and improvements | (176,606) | (7,735) | - | (184,341) |
| Total accumulated depreciation | <u>(1,415,891)</u> | <u>(277,359)</u> | <u>20,497</u> | <u>(1,672,753)</u> |
| Capital assets net | <u>\$ 7,690,316</u> | <u>\$ (169,772)</u> | <u>\$ (14,142)</u> | <u>\$ 7,506,402</u> |

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. PENSIONS

The District is a participating employer in a statewide, public employee retirement system, the Louisiana State Employees' Retirement System (LASERS). LASERS has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by LASERS to the state Legislature. LASERS issues a public report that includes financial statements and required supplementary information. A copy of the report may be obtained at www.lasersonline.org.

General Information about the Pension Plan

Plan Descriptions/Benefits Provided:

LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-414. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer, and job classification. Act 992 of the 2010 Regular Legislative Session of the Louisiana Legislature closed existing sub-plans for members hired before January 1, 2011, and created new sub-plans for regular members, hazardous duty members, and judges.

The substantial majority of members may retire with full benefits at any age upon completing 30 years of service and at age 60 upon completing 5-10 years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially-reduced benefit. Eligibility for retirement benefits and the computation of retirement benefits are provided for in R.S. 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. 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, or highest 60 consecutive months of employment for members employed after that date. A member leaving service before attaining minimum retirement but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. All members with 10 or more years of service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age.

FIFTH LOUISIANA LEVEE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. PENSIONS (Continued)

Survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service 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 minimum service requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

LASERS has established a Deferred Retirement Option Plan (DROP). When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salaries for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of cost-of-living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Louisiana Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Article X, Section 29(E) (2) (a) of the Louisiana Constitution of 1974 assigns the legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Employer contributions to LASERS for fiscal year 2022 were \$204,072, with active members contributing 8%, and the District (employer) contributing 39.5%.

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

At June 30, 2022, the District reported a liability of \$1,320,844 for its proportionate share of the LASERS Net Pension Liability (NPL). The NPL for LASERS was measured as of June 30, 2021, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date.

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. PENSIONS (Continued)

The District's proportion of the NPL was based on projections of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2021, the most recent measurement date, the District's proportion was 0.02400%, representing an increase in the proportion from the prior measurement date of 0.02346%. For the year ended June 30, 2022, the District recognized a total pension expense of \$79,076. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows <u>of Resources</u> | Deferred Inflows <u>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 1,304 | \$ - |
| Change in assumptions | 32,353 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 308,026 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 55,898 | 490 |
| Employer contributions subsequent to the measurement date | <u>204,072</u> | <u>-</u> |
| Total | <u>\$ 293,627</u> | <u>\$ 308,516</u> |

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS NPL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending</u> | <u>Amount</u> |
|---------------------------|---------------|
| June 30, 2023 | \$ 18,768 |
| June 30, 2024 | \$ (30,623) |
| June 30, 2025 | \$ (69,981) |
| June 30, 2026 | \$ (137,125) |

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. PENSIONS (Continued)

Actuarial Assumptions

The total pension liability for LASERS in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

| | |
|-------------------------------------|---|
| Valuation Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Normal |
| Expected Remaining Service Lives | 2 years |
| Investment Rate of Return | 7.40% per annum, net of investment expense |
| Inflation Rate | 2.30% per annum |
| Mortality - Non-disabled | RP-2014, improvement to 2018 |
| Mortality - Disabled | RP-2000 |
| Termination, Disability, Retirement | 2014-2018 experience study |
| Salary Increases | 2014-2018 experience study, ranging from 2.6% to 13.8% |
| Cost of Living Adjustments | Not substantively automatic |

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table.

| | <u>Geometric Real Rates of Return</u> |
|----------------------------|---|
| LASERS | |
| 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 | <u><u>5.81%</u></u> |

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. PENSIONS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the NPL to changes in the discount rate

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

| | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|-----------|----------------------|----------------------------------|----------------------|
| LASERS \$ | <u>\$ 1,789,644</u> | <u>\$ 1,320,844</u> | <u>\$ 921,954</u> |

Pension plan fiduciary net position

Detailed information about LASERS fiduciary net position is available in the separately-issued financial reports referenced previously.

At June 30, 2022 the District owed LASERS \$-0- for employee and employer legally-required contributions.

6. RISK MANAGEMENT

The Fifth Louisiana Levee 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.

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

7. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the District for the year ended June 30, 2022:

| | Balance at June 30, 2021 | Additions | Reductions | Balance at June 30, 2022 | Amounts Due Within One Year |
|-----------------------|-----------------------------|------------------|------------------|-----------------------------|-----------------------------------|
| Lease obligations | \$ 114,453 | \$ - | \$ (79,954) | \$ 34,499 | \$ 34,499 |
| Compensated absences | 75,831 | 788 | - | 76,619 | - |
| OPEB liability | 483,745 | 92,961 | - | 576,706 | - |
| Net pension liability | 1,940,464 | - | (619,620) | 1,320,844 | - |
| Total | <u>\$ 2,614,493</u> | <u>\$ 93,749</u> | <u>(699,574)</u> | <u>\$ 2,008,668</u> | <u>\$ 34,499</u> |

8. LEASE LIABILITY

The district records equipment leased as an asset and an obligation in the accompanying financial statements. The District's lease matures on November 13, 2022, bears interest at 4.95% per annum and is secured by the leased equipment.

At June 30, 2022, the District had equipment leased under this lease with a cost of \$291,437 and accompanying accumulated amortization of \$103,150.

For the year ended June 30, 2022, the District incurred \$3,868 in interest costs related to the lease.

The following is a schedule by years of future minimum lease payments under the lease, together with the present value of the net minimum lease payments, as of June 30, 2022.

| | Year ending <u>June 30, 2023</u> |
|--|-------------------------------------|
| Lease | \$ 34,927 |
| Less: amounts representing interest | 428 |
| Present value of minimum lease payments | <u>\$ 34,499</u> |

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB statement 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions establishes standards of accounting and financial reporting for OPEB expenses and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers.

The District may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all employees become eligible for those benefits if they reach normal retirement age while working for the District and were covered by the District's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description and Benefits Provided

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined benefit, multiple-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 OG 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.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2022. 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 payment 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 B coverage also have access to four fully insured Medicare Advantage plans.

FIFTH LOUISIANA LEVEE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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:

| <u>OGB Participation</u> | <u>Employer Share</u> | <u>Retiree Share</u> |
|--------------------------|-----------------------|----------------------|
| 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. Effective January 1, 2018, 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 District reported a liability of \$576,706 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 District's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2021, the District's proportion was 0.0063% representing an increase in the proportion from the prior measurement date of 0.0005%.

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:

| | |
|---------------------------|---|
| Inflation | 2.40% |
| Salary Increases | Consistent with the pension valuation assumptions |
| Investment Rate of Return | 2.18%, based on the S&P Municipal Bond 20-Year High Grade Rate Index |
| Healthcare Cost Trend | 7.00% - 4.5% |
| Mortality Rates | For healthy lives the RP-2014 Blue Collar Healthy Annuitant Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2000 Disabled Retiree Mortality Table, not projected with mortality improvement. |

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The discount rate used to measure the total OPEB liability was 2.18%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. The discount rate used to measure the total OPEB liability was decreased to 2.18% in the July 1, 2021 valuation from 2.66% as of July 1, 2020. The discount rate in the current valuation reflects that the Bond Buyers' 20-Year General Obligation Municipal Bond Index rate was unchanged from the prior year.

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:

| | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|---------------------------------|----------------------|----------------------------------|----------------------|
| District's total OPEB liability | \$ 689,606 | \$ 576,706 | \$ 487,756 |

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 higher than the current rates:

| | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|---------------------------------|----------------------|----------------------------------|----------------------|
| District's total OPEB liability | \$ 484,306 | \$ 576,706 | \$ 695,661 |

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$23,377. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Changes in employer's proportionate share | \$ - | \$ 4,917 |
| Differences between expected and actual experience | 11,583 | 335 |
| Changes in assumptions | 42,371 | 25,781 |
| Difference between proportionate share of employer benefit payments and actual benefit payments | 44,607 | 30,097 |
| Employer contributions subsequent to the measurement date | 536 | - |
| Total | <u>\$ 99,097</u> | <u>\$ 61,130</u> |

Deferred outflows of resources related to OPEB resulting from the District's benefit payments subsequent to the measurement date of \$536 will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 2023. 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>Fiscal Year Ending</u> | <u>Amount</u> |
|---------------------------|------------------|
| June 30, 2023 | \$ 942 |
| June 30, 2024 | 10,404 |
| June 30, 2025 | 17,999 |
| June 30, 2026 | 7,586 |
| | <u>\$ 36,931</u> |

REQUIRED SUPPLEMENTARY INFORMATION

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2022

| Fiscal Year* | District's proportion of the net pension liability (asset) | District's proportionate share of the net pension liability (asset) | District's covered-employee payroll | District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | Plan fiduciary net position as a percentage of the total pension liability |
|--|---|--|---|---|--|
| Louisiana State Employees' Retirement System | | | | | |
| 2015 | 0.02438% | \$ 1,524,517 | \$ 449,176 | 339% | 65.0% |
| 2016 | 0.02422% | \$ 1,647,190 | \$ 459,639 | 358% | 62.7% |
| 2017 | 0.02601% | \$ 2,042,370 | \$ 489,007 | 418% | 57.7% |
| 2018 | 0.02479% | \$ 1,744,785 | \$ 415,618 | 420% | 62.5% |
| 2019 | 0.02313% | \$ 1,577,586 | \$ 454,093 | 347% | 64.3% |
| 2020 | 0.02318% | \$ 1,679,516 | \$ 461,111 | 364% | 62.9% |
| 2021 | 0.02346% | \$ 1,940,464 | \$ 492,086 | 394% | 58.0% |
| 2022 | 0.02400% | \$ 1,320,844 | \$ 507,229 | 260% | 72.8% |

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

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

(See Independent Auditors' Report)

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
FOR THE EIGHT YEARS ENDED JUNE 30, 2022

| Fiscal Year* | (a) Statutorily- Required Contribution | (b) Contributions in relation to the statutorily- required contribution | (a-b) Contribution Deficiency (Excess) | District's covered-employee payroll | Contributions as a percentage of covered-employee payroll |
|--|---|---|---|---|--|
| Louisiana State Employees' Retirement System | | | | | |
| 2015 | \$ 118,467 | \$ 147,480 | \$(29,013) | 449,176 | 32.83% |
| 2016 | \$ 103,071 | \$ 173,299 | \$(70,228) | 459,639 | 37.70% |
| 2017 | \$ 209,923 | \$ 165,537 | \$ 44,386 | 489,007 | 33.85% |
| 2018 | \$ 175,156 | \$ 167,464 | \$ 7,692 | 415,618 | 40.29% |
| 2019 | \$ 170,255 | \$ 170,255 | \$ - | 454,093 | 37.49% |
| 2020 | \$ 187,672 | \$ 192,490 | \$(4,818) | 461,111 | 41.74% |
| 2021 | \$ 197,327 | \$ 194,329 | \$ 2,998 | 492,086 | 39.49% |
| 2022 | \$ 200,355 | \$ 204,072 | \$(3,717) | 507,229 | 40.23% |

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

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

(See Independent Auditors' Report)

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE TOTAL OPEB LIABILITY
FOR THE FIVE YEARS ENDED JUNE 30, 2022

| Fiscal Year* | District's proportion of the total collective OPEB liability | District's proportionate share of the total collective OPEB liability | District's covered-employee payroll | District's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll |
|-----------------|---|--|---|---|
| 2018 | 0.00530% | \$ 462,000 | \$ 415,618 | 111% |
| 2019 | 0.00580% | \$ 498,891 | \$ 395,905 | 126% |
| 2020 | 0.00570% | \$ 438,867 | \$ 351,260 | 125% |
| 2021 | 0.00580% | \$ 483,745 | \$ 420,439 | 115% |
| 2022 | 0.00630% | \$ 576,706 | \$ 395,236 | 146% |

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

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

(See Independent Auditors' Report)

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

1. SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY:

This schedule reflects the participation of the District's employees in Louisiana State Employees' Retirement System, and its proportionate share of the net pension liability, the proportionate share of the net pension liability as a percentage of its covered payroll, and the plan fiduciary net position as a percentage of the total pension liability. The employers' net pension liability is the liability of the District's employees for benefits provided through Louisiana State Employees' Retirement System. Covered payroll is the payroll of all employees that are provided with benefits through the plan. The amounts in the schedule for each fiscal year were determined as the prior fiscal year ended.

2. SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS:

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered payroll, is presented in this schedule. The amounts presented in the schedule were determined as of the end of each fiscal year.

3. SCHEDULE OF THE CHANGES IN THE TOTAL OPEB LIABILITY:

This schedule reflects the participation of the District's employees in the State of Louisiana Postemployment Benefits Plan and changes in the total other postemployment liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

4. CHANGES OF BENEFIT TERMS:

During the reporting period 2017, a 1.5% Cost of Living Adjustment (COLA) was granted by LASERS. There were no changes in benefit terms for any of the remaining years presented.

5. CHANGES IN ASSUMPTIONS:

Pension Plan:

Amounts reported in the actuary valuation dated June 30, 2021 for LASERS reflect an adjustment in the discount rate. The discount rate for LASERS was decreased by 0.15% to 7.40%.

Amounts reported in the actuary valuation dated June 30, 2020 for LASERS reflect an adjustment in the discount rate. The discount rate for LASERS was decreased by 0.05% to 7.55%.

Amounts reported in the actuary valuation dated June 30, 2019 for LASERS reflect an adjustment in the discount rate. The discount rate for LASERS was decreased by 0.05% to 7.60%.

Amounts reported in the actuary valuation dated June 30, 2018 for LASERS reflect an adjustment in the discount rate. The discount rate for LASERS was decreased by 0.05% to 7.65%.

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported in the actuary valuation dated June 30, 2017 for LASERS reflect an adjustment in the discount rate, inflation rate, and salary increases used to value the projected benefit payments attributed to past periods of service. The discount rate for LASERS was decreased by 0.05% to 7.70% in 2017.

Other changes were as follows:

| <u>Valuation Date</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|--------------------------|----------------------|----------------------|
| Inflation Rate | 2.75% | 3.00% |
| Project Salary Increases | 2.80% - 14.30% | 3.00%-14.50% |

OPEB Plan:

The discount rate changed from 2.66% as of July 1, 2020 to 2.18% as of July 1, 2021, for the State of Louisiana OPEB Plan.

The discount rate changed from 2.79% as of July 1, 2019 to 2.66% as of July 1, 2020, for the State of Louisiana OPEB Plan.

The discount rate changed from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019, for the State of Louisiana OPEB Plan.

The discount rate changed from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018, for the State of Louisiana OPEB Plan.

The discount rate changed from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017, for the State of Louisiana OPEB Plan.

SUPPLEMENTARY INFORMATION

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District

PREPARED BY: Michael Caparotta

PHONE NUMBER: 504-539-3487

EMAIL ADDRESS: mcaparotta@ericksenkrentel.com

SUBMITTAL DATE: 10/17/2022 07:48 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

| | |
|--------------------------------------|-----------------------|
| CASH AND CASH EQUIVALENTS | 665,299.00 |
| RESTRICTED CASH AND CASH EQUIVALENTS | 0.00 |
| INVESTMENTS | 1,400,066.00 |
| RESTRICTED INVESTMENTS | 0.00 |
| DERIVATIVE INSTRUMENTS | 0.00 |
| RECEIVABLES (NET) | 0.00 |
| 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 | \$2,065,365.00 |

NONCURRENT ASSETS:

RESTRICTED ASSETS:

| | |
|--------------------------|------|
| CASH | 0.00 |
| INVESTMENTS | 0.00 |
| RECEIVABLES (NET) | 0.00 |
| NOTES RECEIVABLE | 0.00 |
| OTHER | 0.00 |
| INVESTMENTS | 0.00 |
| RECEIVABLES (NET) | 0.00 |
| NOTES RECEIVABLE | 0.00 |
| PLEDGES RECEIVABLE (NET) | 0.00 |
| LEASES RECEIVABLE (NET) | 0.00 |

CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)

| | |
|--|-----------------------|
| LAND | 453,601.00 |
| BUILDINGS AND IMPROVEMENTS | 168,785.00 |
| MACHINERY AND EQUIPMENT | 1,243,592.00 |
| INFRASTRUCTURE | 5,640,424.00 |
| OTHER INTANGIBLE ASSETS | 0.00 |
| CONSTRUCTION IN PROGRESS | 0.00 |
| INTANGIBLE RIGHT-TO-USE LEASED ASSETS: | |
| LEASED LAND | 0.00 |
| LEASED BUILDING & OFFICE SPACE | 0.00 |
| LEASED MACHINERY & EQUIPMENT | 0.00 |
| OTHER NONCURRENT ASSETS | 0.00 |
| TOTAL NONCURRENT ASSETS | \$7,506,402.00 |
| TOTAL ASSETS | \$9,571,767.00 |

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 |
| LOSSES FROM SALE-LEASEBACK TRANSACTIONS | 0.00 |

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District

PREPARED BY: Michael Caparotta

PHONE NUMBER: 504-539-3487

EMAIL ADDRESS: mcaparotta@ericksenkrentel.com

SUBMITTAL DATE: 10/17/2022 07:48 PM

| | |
|--|---------------------|
| DIRECT LOAN ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE | 0.00 |
| ASSET RETIREMENT OBLIGATIONS | 0.00 |
| OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES | 99,097.00 |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 293,627.00 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$392,724.00 |

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$9,964,491.00**

LIABILITIES

CURRENT LIABILITIES:

| | |
|------------------------------------|----------|
| ACCOUNTS PAYABLE AND ACCRUALS | 5,835.00 |
| 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 | 0.00 |
| OTHER CURRENT LIABILITIES | 0.00 |

CURRENT PORTION OF LONG-TERM LIABILITIES:

| | |
|-----------------------------------|--------------------|
| CONTRACTS PAYABLE | 0.00 |
| COMPENSATED ABSENCES PAYABLE | 0.00 |
| LEASE LIABILITY | 34,499.00 |
| ESTIMATED LIABILITY FOR CLAIMS | 0.00 |
| NOTES PAYABLE | 0.00 |
| BONDS PAYABLE | 0.00 |
| OPEB LIABILITY | 0.00 |
| POLLUTION REMEDIATION OBLIGATIONS | 0.00 |
| OTHER LONG-TERM LIABILITIES | 0.00 |
| TOTAL CURRENT LIABILITIES | \$40,334.00 |

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

| | |
|------------------------------------|-----------------------|
| CONTRACTS PAYABLE | 0.00 |
| COMPENSATED ABSENCES PAYABLE | 76,619.00 |
| LEASE LIABILITY | 0.00 |
| ESTIMATED LIABILITY FOR CLAIMS | 0.00 |
| NOTES PAYABLE | 0.00 |
| BONDS PAYABLE | 0.00 |
| TOTAL OPEB LIABILITY | 576,706.00 |
| NET PENSION LIABILITY | 1,320,844.00 |
| POLLUTION REMEDIATION OBLIGATIONS | 0.00 |
| OTHER LONG-TERM LIABILITIES | 0.00 |
| UNEARNED REVENUE | 0.00 |
| TOTAL LONG-TERM LIABILITIES | \$1,974,169.00 |
| TOTAL LIABILITIES | \$2,014,503.00 |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|------|
| ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS | 0.00 |
| DEFERRED AMOUNTS ON DEBT REFUNDING | 0.00 |
| LEASE RELATED 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 |
| SPLIT INTEREST AGREEMENTS | 0.00 |
| POINTS RECEIVED ON LOAN ORIGATION | 0.00 |

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District
PREPARED BY: Michael Caparotta
PHONE NUMBER: 504-539-3487
EMAIL ADDRESS: mcaparotta@ericksenkrentel.com
SUBMITTAL DATE: 10/17/2022 07:48 PM

| | |
|---|---------------------|
| LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE | 0.00 |
| OPEB-RELATED DEFERRED INFLOWS OF RESOURCES | 61,130.00 |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 308,516.00 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$369,646.00 |

NET POSITION:

| | |
|----------------------------------|-----------------------|
| NET INVESTMENT IN CAPITAL ASSETS | 7,471,903.00 |
| RESTRICTED FOR: | |
| CAPITAL PROJECTS | 0.00 |
| DEBT SERVICE | 0.00 |
| NONEXPENDABLE | 0.00 |
| EXPENDABLE | 0.00 |
| OTHER PURPOSES | 0.00 |
| UNRESTRICTED | \$108,439.00 |
| TOTAL NET POSITION | \$7,580,342.00 |

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District
 PREPARED BY: Michael Caparotta
 PHONE NUMBER: 504-539-3487
 EMAIL ADDRESS: mcaparotta@ericksenkrentel.com
 SUBMITTAL DATE: 10/17/2022 07:48 PM

STATEMENT OF ACTIVITIES

PROGRAM REVENUES

| EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | NET (EXPENSE) REVENUE |
|--------------|----------------------|---------------------------------------|-------------------------------------|-------------------------|
| 3,060,609.00 | 156,391.00 | 1,541,222.00 | 0.00 | \$(1,362,996.00) |

GENERAL REVENUES

| | |
|-----------------------------------|-----------------------|
| PAYMENTS FROM PRIMARY GOVERNMENT | 0.00 |
| OTHER | 1,429,748.00 |
| ADDITIONS TO PERMANENT ENDOWMENTS | 0.00 |
| CHANGE IN NET POSITION | \$66,752.00 |
| NET POSITION - BEGINNING | \$7,513,590.00 |
| NET POSITION - RESTATEMENT | 0.00 |
| NET POSITION - ENDING | \$7,580,342.00 |

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District
 PREPARED BY: Michael Caparotta
 PHONE NUMBER: 504-539-3487
 EMAIL ADDRESS: mcaparotta@ericksenkrentel.com
 SUBMITTAL DATE: 10/17/2022 07:48 PM

SCHEDULE OF BONDS PAYABLE

| Series Issue | Date of Issue | Original Issue Amount | Principal Outstanding PFY | Issue (Redeemed) | Principal Outstanding CFY | Interest Outstanding CFY |
|--------------|---------------|-----------------------|---------------------------|------------------|---------------------------|--------------------------|
| | | 0.00 | 0.00 | 0.00 | \$ 0.00 | 0.00 |
| | | Totals | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Series - Unamortized Premiums:

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

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**

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District
 PREPARED BY: Michael Caparotta
 PHONE NUMBER: 504-539-3487
 EMAIL ADDRESS: mcaparotta@ericksenkrentel.com
 SUBMITTAL DATE: 10/17/2022 07:48 PM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

| Fiscal Year Ending: | Principal | Interest |
|----------------------------|------------------|-----------------|
| 2023 | 0.00 | 0.00 |
| 2024 | 0.00 | 0.00 |
| 2025 | 0.00 | 0.00 |
| 2026 | 0.00 | 0.00 |
| 2027 | 0.00 | 0.00 |
| 2028 | 0.00 | 0.00 |
| 2029 | 0.00 | 0.00 |
| 2030 | 0.00 | 0.00 |
| 2031 | 0.00 | 0.00 |
| 2032 | 0.00 | 0.00 |
| 2033 | 0.00 | 0.00 |
| 2034 | 0.00 | 0.00 |
| 2035 | 0.00 | 0.00 |
| 2036 | 0.00 | 0.00 |
| 2037 | 0.00 | 0.00 |
| 2038 | 0.00 | 0.00 |
| 2039 | 0.00 | 0.00 |
| 2040 | 0.00 | 0.00 |
| 2041 | 0.00 | 0.00 |
| 2042 | 0.00 | 0.00 |
| 2043 | 0.00 | 0.00 |
| 2044 | 0.00 | 0.00 |
| 2045 | 0.00 | 0.00 |
| 2046 | 0.00 | 0.00 |
| 2047 | 0.00 | 0.00 |
| 2048 | 0.00 | 0.00 |
| 2049 | 0.00 | 0.00 |
| 2050 | 0.00 | 0.00 |
| 2051 | 0.00 | 0.00 |
| 2052 | 0.00 | 0.00 |
| 2053 | 0.00 | 0.00 |
| 2054 | 0.00 | 0.00 |
| 2055 | 0.00 | 0.00 |
| 2056 | 0.00 | 0.00 |
| 2057 | 0.00 | 0.00 |
| Premiums and Discounts | \$0.00 | |
| Total | \$0.00 | \$0.00 |

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District

PREPARED BY: Michael Caparotta

PHONE NUMBER: 504-539-3487

EMAIL ADDRESS: mcaparotta@ericksenkrentel.com

SUBMITTAL DATE: 10/17/2022 07:48 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. 536.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 395,236.00

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

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District
PREPARED BY: Michael Caparotta
PHONE NUMBER: 504-539-3487
EMAIL ADDRESS: mcaparotta@ericksenkrentel.com
SUBMITTAL DATE: 10/17/2022 07:48 PM

FUND BALANCE/NET POSITION RESTATEMENT

| Account Name/Description | Restatement Amount |
|---------------------------------|-------------------------------|
| Total | \$0.00 |

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

(See Independent Auditors' Report)

AGENCY: 20-14-07 - Fifth Louisiana Levee District

PREPARED BY: Michael Caparotta

PHONE NUMBER: 504-539-3487

EMAIL ADDRESS: mcaparotta@ericksenkrentel.com

SUBMITTAL DATE: 10/17/2022 07:48 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.

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



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

Fifth Louisiana Levee District
State of Louisiana
Tallulah, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the Fifth Louisiana Levee District (District), a component unit of the state of Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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.

Fifth Louisiana Levee District
State of Louisiana
October 31, 2022

Compliance and Other Matters

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

Purpose of This Report

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

October 31, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditors' Results:

- 1) The auditors' report expresses an unmodified opinion on the financial statements of the Fifth Louisiana Levee District.
- 2) No control deficiencies were disclosed during the audit of the financial statements of the Fifth Louisiana Levee District.
- 3) No instances of noncompliance were disclosed during the audit of the financial statements of the Fifth Louisiana Levee District.

Section II - Financial Statement Findings:

There were no financial statement findings for the year ended June 30, 2022.

Section III - Federal Award Findings and Questioned Costs:

Not applicable.

Section IV - Management Letter:

A management letter was not issued in connection with the audit for the year ended June 30, 2022.

FIFTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

There were no prior year findings.