

SABINE RIVER AUTHORITY
State of Louisiana

Financial Statements
June 30, 2020 and 2019

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Sabine River Authority
State of Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Sabine River Authority, a component unit of the State of Louisiana, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinions

Prior to July 1, 1994, the fixed assets of Sabine River Authority, State of Louisiana, were not reported in an enterprise fund. All opening balances of fixed assets could not be verified. See Note 3 for additional information.

Qualified Opinions

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions” paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the net position of Sabine River Authority, State of Louisiana as of June 30, 2020 and 2019, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and Required Schedules for the Pension and OPEB Liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 my 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.

The annual fiscal report and the Schedule of Compensation, Reimbursements and Other Payments to the Authority Head as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the basic financial statements as explained in the “Basis for Qualified Opinions” paragraph, the annual fiscal report 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 a report dated September 8, 2020 on our consideration of Sabine River Authority’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Sabine River Authority’s internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
September 8, 2020

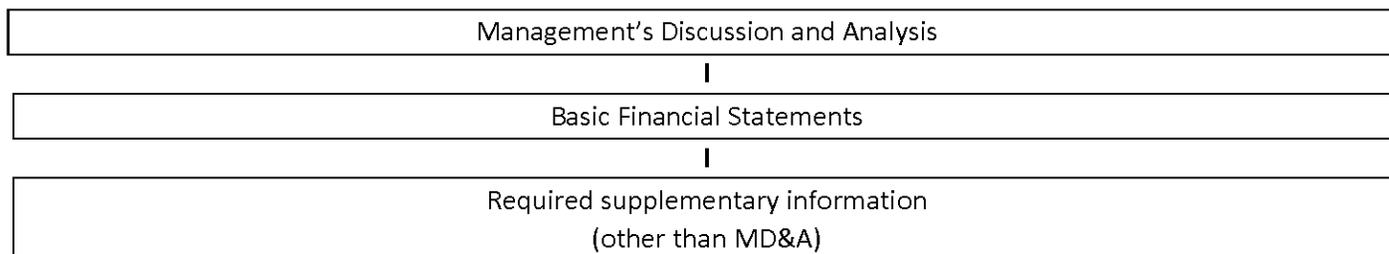
The Management’s Discussion and Analysis of the Sabine River Authority’s financial performance presents a narrative overview and analysis of Sabine River Authority’s financial activities for the year ended June 30, 2020. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the Sabine River Authority’s financial statements.

FINANCIAL HIGHLIGHTS

- ❖ The Sabine River Authority’s assets exceeded its liabilities at the close of fiscal year 2020 by \$78,333,907 which represents an 0.04% increase from last fiscal year. The net position increased by \$32,529.
- ❖ The Sabine River Authority’s revenues decreased \$5,867,948 (or 26%). The decrease is primarily due to a decrease in power sales.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

Basic Financial Statements

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

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

The Statement of Revenues, Expenses, and Changes in Net Assets (page 9) presents information showing how Sabine River Authority’s (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 10 – 11) presents information showing how Sabine River Authority’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

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

	<u>2020</u>		<u>2019</u>
Current and other assets	\$ 48,229	\$	47,655
Capital assets	54,532		56,717
Total assets	<u>102,761</u>		<u>104,372</u>
Deferred outflows, related to pensions	<u>1,854</u>		<u>2,042</u>
Other liabilities	1,592		1,542
Long-term debt outstanding	21,763		25,615
Total liabilities	<u>23,355</u>		<u>27,157</u>
Deferred inflows, related to pensions	<u>2,926</u>		<u>956</u>
Net position:			
Net investment in capital assets	43,555		44,717
Restricted for debt service and power	6,674		1,472
Unrestricted	<u>28,105</u>		<u>32,112</u>
Total net position	<u>\$ 78,334</u>	\$	<u>78,301</u>

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

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

	Total	
	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 16,815	\$ 22,683
Operating expenses	16,757	15,860
Operating income (loss)	58	6,823
Non-operating revenues	614	573
Non-operating expenses *	(639)	(257)
Income (loss) before transfers	33	7,139
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ 33	\$ 7,139

*enter expenses as a negative amount

The Sabine River Authority's (BTA) total revenues decreased \$5,867,948 (or 26%). The total cost of all programs and services increased by \$1,279,718 or (8%).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year end June 30, 2020, the Sabine River Authority had \$54,532,233 (net of depreciation and amortizations) invested in a broad range of capital assets, including land, reservoirs and waterways, dams and electric plant, water and pumping plant, recreation site improvements, and equipment. This amount represents a net decrease (including additions and deductions) of \$2,184,653 over last year.

Debt

The Sabine River Authority had \$10,977,000 in bonds and notes outstanding at year-end, compared to \$12,000,000 last year, and a decrease of 9% as shown in the table below.

The Sabine River Authority Bonds are unrated.

	Outstanding Debt at Year End (in thousands)	
	2020	2019
Revenue Bonds and Notes	\$ 10,977	\$ 12,000
Totals	\$ 10,977	\$ 12,000

CONTACTING THE SABINE RIVER AUTHORITY'S (BTA) MANAGEMENT

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

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

Assets	2020	2019
Current Assets:		
Cash and cash equivalents	\$ 16,242,553	\$ 26,216,413
Cash and cash equivalents - restricted	6,674,347	8,107,858
Accounts receivable	1,850,285	3,365,098
Other assets	-	0
Total Current Assets	24,767,185	37,689,369
Noncurrent Assets:		
Investments - restricted	543,426	451,277
Investments - unrestricted	18,199,913	4,650,412
Total Investments	18,743,339	5,101,689
Property and Equipment:		
Land	1,434,915	1,434,915
Reservoirs and waterways	18,000,579	18,000,579
Dams and electric plant	23,697,392	23,697,392
Water and pumping plant	40,656,796	31,982,488
Recreation and conference center	12,976,230	12,959,981
Recreation site improvements	7,203,089	7,174,159
Buildings	3,499,279	3,510,328
Roads and parking lots	3,006,609	3,006,609
Fish pavilions	840,742	840,742
Golf course	5,070,134	5,064,120
Equipment	5,410,828	5,670,408
Construction in progress	4,825,592	12,448,415
Less accumulated depreciation	(72,089,952)	(69,073,250)
Total Property, Plant and Equipment	54,532,233	56,716,886
Other Assets:		
FERC License	4,639,380	4,743,732
Loan Costs	69,560	78,255
Deposits	9,324	42,588
Total Other Assets	4,718,264	4,864,575
Total Noncurrent Assets	77,993,836	66,683,150
Total Assets	102,761,021	104,372,519
Deferred Outflows		
Deferred outflows of resources related to pensions	1,636,816	1,879,647
Deferred outflows of resources related to OPEB	217,629	161,997
Deferred outflows of resources	1,854,445	2,041,644
Total Assets and Deferred Outflows	\$ 104,615,466	\$ 106,414,163

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

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

	2020	2019
Liabilities and Net Assets		
Current Liabilities:		
Accounts and retainage payable	\$ 215,654	\$ 206,962
Deferred revenue	10,445	10,445
Accrued expenses	307,764	301,420
Total Current Liabilities	533,863	518,827
Current Liabilities Payable from Restricted Assets		
Current maturities of long-term debt	1,059,000	1,023,000
Interest payable	-	-
Total Current Liabilities Payable from Restricted Assets	1,059,000	1,023,000
Long-term Liabilities		
OPEB payable	5,236,469	5,762,596
Net pension liability	6,608,230	8,875,112
Bonds payable	9,918,000	10,977,000
Total Long-term Liabilities	21,762,699	25,614,708
Total Liabilities	23,355,562	27,156,535
Deferred Inflows		
Deferred inflows of Resources Related to Pensions	1,819,983	231,196
Deferred inflows of Resources Related to OPEB	1,106,014	725,054
	2,925,997	956,250
Net Position		
Net investment in capital assets	43,555,233	44,716,885
Restricted for debt service and power agreement	13,433	536,848
Restricted for capital projects	6,660,914	935,228
Unrestricted	28,104,327	32,112,417
	78,333,907	78,301,378
Total Liabilities and Net Position	\$ 104,615,466	\$ 106,414,163

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

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

	2020	2019
Operating Revenues (substantially all pledged as security for revenue bonds):		
Power sales	\$ 4,797,346	\$ 8,842,799
Water sales	8,368,176	7,549,937
Park site rentals	937,619	1,147,386
Miscellaneous	2,711,543	5,142,510
Total Operating Revenues	16,814,684	22,682,632
Operating Expenses:		
Operating and maintenance	12,834,995	12,516,516
Depreciation and amortization	3,922,504	3,343,234
Total Operating Expenses	16,757,499	15,859,750
Operating Income (Loss)	57,185	6,822,882
Non-operating Revenues (Expenses):		
Investment income	614,268	573,295
Interest expense	(356,144)	(256,955)
Other	-	-
Capital contributions	(282,780)	-
Net Non-operating Revenues (Expenses)	(24,656)	316,340
Change in Net Position	32,529	7,139,222
Net Position - Beginning of Year	78,301,378	71,162,156
Net Position - End of Year	\$ 78,333,907	\$ 78,301,378

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

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	18,362,761	21,112,738
Payments to suppliers	(9,704,296)	(9,461,661)
Payments to employees and benefits	(3,776,382)	(3,721,916)
Net Cash Provided (Used) by Operating Activities	4,882,083	7,929,161
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Purchase of capital assets	(1,624,804)	(2,701,109)
Principal paid on capital debt	(1,023,000)	(4,362,361)
Interest paid on capital debt	(356,144)	(256,955)
Proceeds from bond issuance	-	11,913,050
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,003,948)	4,592,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Net redemption (purchase) of investments and CD's	(13,899,774)	1,337,078
Interest received	614,268	573,295
Net Cash Provided (Used) by Investing Activities	(13,285,506)	1,910,373
Net Increase (Decrease) in Cash and Cash Equivalents	(11,407,371)	14,432,159
Cash and Cash Equivalents - Beginning of Year	34,324,271	19,892,112
Cash and Cash Equivalents - End of Year	22,916,900	34,324,271
Cash and cash equivalents shown on balance sheet as:		
Current assets: Cash and cash equivalents	16,242,553	26,216,413
Restricted assets: Cash and cash equivalents	6,674,347	8,107,858
	22,916,900	34,324,271

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

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

	2020	2019
Reconciliation of Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 32,529	\$ 7,139,222
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	3,922,504	3,343,234
(Increase) decrease in receivables	1,514,813	(1,936,868)
(Increase) decrease in other assets	33,264	29,023
Increase (decrease) in accounts payable	8,692	(630,981)
Increase (decrease) in other accrued expenses	6,344	(14,469)
Increase (decrease) in pension and OPEB liabilities	(636,063)	0
Total Adjustments	4,849,554	789,939
Net Cash Provided (Used) by Operating Activities	\$ 4,882,083	\$ 7,929,161

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements
Year Ended June 30, 2020**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Fund Accounting

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

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements
Year Ended June 30, 2020**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

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

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

Compensated Absences

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

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employee's Retirement system (LASERS) and additions to deductions from LASERS fiduciary net position have been determined on the same basis as they are reported by LASERS.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements
Year Ended June 30, 2020**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment

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

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

Budgets and Budgetary Accounting

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

Restricted Assets

The restricted assets consist of a bond sinking fund, bond reserve fund, bond operating reserve funds, and contingency and replacement reserve funds on revenue bonds. The bond sinking, operating reserve, and contingency and replacement reserve funds are segregated as required by the bond indentures and power agreements, totaled \$13,433 as of June 30, 2019. The funds restricted for construction as of June 30, 2019 were \$6,660,914.

Rates and Regulations

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

Risk Management

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

Estimates

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (continued)
Year Ended June 30, 2020**

Note 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

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

At year end, the carrying amount of the Authority’s demand and time deposits was \$7,977,419 and the bank balance was \$8,244,296. Of the bank balance, all was covered by federal depository insurance and pledged collateral held by the pledging institution’s agent but not in the entity’s name.

	Fair Value
Cash and equivalents catergorized:	\$ 8,244,296
Cash and equivalents not catergorized:	
Money Market Funds *	14,672,604
Certificats of deposit (not cash equivalent)	-
Total	\$ 22,916,900

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

Note 3 – FIXED ASSETS

Balances of fixed assets acquired through the Joint Operation between Sabine River Authority, State of Louisiana and Sabine River Authority of Texas in the amount of \$48,961,506 was obtained from audited financial statements. Other fixed assets balances were obtained from sources that could not be audited. Depreciation expense for the year ended June 30, 2020 was \$3,809,457.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (continued)
Year Ended June 30, 2020**

Note 4 – CONSTRUCTION IN PROGRESS

The Authority has various construction projects in progress as of June 30, 2020. Estimated costs to complete such contracts total approximately \$832,000. Estimated completion dates vary for fiscal year ending in 2020.

Note 5 – LONG-TERM DEBT

Outstanding long-term debt of Sabine River Authority, State of Louisiana for the year ended June 30, 2020 consist of the following:

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

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

	<u>Outstanding 06/30/19 (000's)</u>	<u>Added</u>	<u>Retired</u>	<u>Outstanding 06/30/20 (000's)</u>
Revenue Bonds:				
Series 2018	12,000	-	(1,023)	10,977
Total long-term debt	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ (1,023)</u>	<u>\$ 10,977</u>

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 6 – PER DIEM PAID COMMISSION MEMBERS

The Authority is comprised of thirteen members who are appointed by the Governor. Per diem payment to members and payments for Compact for the year ended June 30, 2020 were as follows:

Norman Arbuckle	\$ 3,400
George Brandon	300
Robert Byles	3,200
Daniel Culpit	3,200
Jeremy Evans	600
James Foret, Jr.	2,600
Byron Gibbs	3,200
Henry Goodeaux	5,000
Allen Jeane	3,600
Richard McComic	3,200
Therman Nash	3,400
James Pratt	200
Estella Scott	3,400
Stanley Vidrine	4,600
Dayna Yeldell	2,800
	<hr/>
	\$ 42,700

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM

Pensions

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

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

1. Retirement

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

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

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

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

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

2. Deferred Retirement Benefits

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

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

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

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

4. Survivor's Benefits

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

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

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

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

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

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2020 for the various plans follow:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular Employees and Appellate Law Clerks			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	40.7%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	40.7%
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	36.01%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	36.01%

The Authority's contractually required composite contribution rate for the year ended June 30, 2020 was 40.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Authority were \$819,982 for the year ended June 30, 2020.

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

At June 30, 2020, the Employer reported a liability of \$6,608,230 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Authority's proportion of the Net Pension Liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Authority's proportion was 0.09121%, which was a decrease of 0.03893% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Authority recognized pension expense of \$852,059 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$467,341.

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,731
Changes of assumptions	56,626	-
Net difference between projected and actual earnings on pension plan investments	228,305	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	531,903	1,806,252
Employer contributions subsequent to the measurement date	819,982	-
Total	\$ 1,636,816	\$ 1,819,983

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

\$819,982 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	598,780
2022	\$	(930,337)
2023	\$	62,812
2024	\$	85,578

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.60% per annum, net of investment expenses*
Inflation Rate	2.5% per annum
Mortality	<p>Non-disabled members - Mortality rates for 2019 based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
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**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>
Cash	0.24%
Domestic Equity	4.83%
International Equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total Fund	6.09%

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.60%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1.0% Decrease (6.60%)	Current Discount Rate (7.60%)	1.0% Increase (8.60%)
Employer's proportionate share of the net pension liability	\$ 8,340,429	\$ 6,608,230	\$ 5,145,103

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 7 – EMPLOYEE RETIREMENT SYSTEM (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2019 Comprehensive Annual Financial Report at www.lasersonline.org.

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined-benefit, multi-employer other postemployment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees’ Retirement System, Teachers’ Retirement System of Louisiana, Louisiana School Employees’ Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3:303. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, and OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2020. The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Employer Contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans.

The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

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

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

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. 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, 2020, the Authority reported a liability of \$5,236,469 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2019 and was determined by an actuarial valuation as of that date.

The Authority's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At June 30, 2020, the District's proportion was .0678%.

The total collective OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Cost Method – Entry Age Normal, level percentage of pay
- Estimated Remaining Service Lives – 4.50
- Inflation rate – Consumer Price Index (CPI) 2.80%
- Salary increase rate – consistent with the state's pension plan
- Discount rate – 2.79% based on the June 30, 2019 Standard & Poor's 20-year municipal bond index rate
- Mortality rates – based on the RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

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

- Healthcare cost trend rates – 7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019.

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

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

	1.0% Decrease (1.79%)	Current Discount Rate (2.79%)	1.0% Increase (3.79%)
Proportionate Share of Total Collective OPEB liability	\$ 6,065,423	\$ 5,236,469	\$ 4,569,631

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

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

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	\$ 4,574,208	\$ 5,236,469	\$ 6,064,843

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

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

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

For the year ended June 30, 2020, the District recognized OPEB expense of (\$68,018). At June 30, 2020, 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 of assumptions or other inputs	\$ -	\$ (844,127)
Differences between benefit payments and proportionate share of benefit payments	-	(243,866)
Differences between expected and actual experience	-	(18,021)
Amounts paid by the employer for OPEB subsequent to the measurement date	217,629	-
Total	\$ 217,629	\$ (1,106,014)

Deferred outflows of resources related to OPEB resulting from the District’s benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended June 30, 20. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Net Amount Recognized in OPEB Expense
2021	(392,155)
2022	(335,180)
2023	(217,563)
2024	(76,268)
	(1,021,166)

Note 9 – LITIGATION

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

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 10 – CONTINGENT LIABILITIES

Public law 98-571 directed the Federal Energy Regulatory Commission (FERC) to waive annual administration charges for the use of United States lands during the remaining term of the license to operate the Toledo Bend Joint Project (Project). The license expires fifty years from August 29, 2014. The waiver is contingent upon FERC determining that the power from the Project is sold to the public without profit. All exemptions applied for through June 30, 2020 have been approved.

Note 11 – LEASE OF RECREATIONAL FACILITY

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

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

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

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

Contingent rentals received for the year end June 30, 2020 was \$56,337. SRA has entered into an Agreement (the “Agreement”) with Sabine Bank & Trust company (“Bank”). It provides for SRA to subordinate any and all liens, privileges, pledges or other rights granted to SRA by Louisiana Civil Code Article 2705, et seq., or Louisiana Civil Code Article 3218, et seq., with respect to all of ALH’s inventory, goods, equipment, and other movable property (“Collateral”) situated on property SRA leased to ALH to the rights of Bank. SRA also agreed that in the event of any foreclosure, sale or other disposition of any of the Collateral, the rights of Bank in said Collateral shall in all respects prime those of SRA and Bank shall be paid by preference and priority to and over any claim of SRA.

Note 12 – RECLASSIFICATIONS

Certain reclassifications may have been made to the June 30, 2020 financial statements in order for them to be better compared to the June 30, 2019 financial statements.

Note 13 – SUBSEQUENT EVENTS

The Authority evaluated its June 30, 2020 financial statements for subsequent events through September 8, 2020, the date the financial statements were available to be issued. The recent coronavirus pandemic could have a detrimental impact on the Authority’s operations and funding. The impact is unknown the time the financial statements were available to be issued.

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

Note 14 – RELATED PARTY TRANSACTIONS

Included in accounts receivable at June 30, 2020 are amounts due from Toledo Bend Joint Operations of \$110,052. Included in accounts payable at June 30, 2020 are amounts due to Toledo Bend Joint Operations of \$179,983.

NOTE 15 – INVESTMENTS

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

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

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

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

Fair values of assets measured on a recurring basis at June 30, 2020 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income Investments	\$ 18,743,339	\$ -	\$ 18,743,339	\$ -

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Notes to Financial Statements (Continued)
Year Ended June 30, 2020**

NOTE 15 – INVESTMENTS (continued)

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

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

Sabine River Authority
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended June 30, 2020

Agency Head Name: Warren Founds

Purpose	
Salary	\$ 129,193
Benefits - insurance	39,351
Benefits - retirement	26,514
Deferred compensation (contributions made by the agency)	-
Benefits - other (pair of shoes)	-
Benefits - other (fuel district vehicle)	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	355
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$ 195,413</u>

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

	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.09121%	0.13014%	0.10971%	0.11032%	0.12789%	0.09914%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,608,230	\$ 8,875,112	\$ 7,722,300	\$ 8,662,621	\$ 8,698,246	\$ 6,199,304
Employer's Covered-Employee Payroll	\$ 1,814,307	\$ 2,518,440	\$ 2,045,473	\$ 2,074,111	\$ 2,427,237	\$ 1,826,509
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	364.23%	352.41%	377.53%	417.65%	358.36%	339.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.9%	64.3%	62.5%	57.7%	62.7%	65.0%

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

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

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

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

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

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

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

Notes to Required Supplementary Information
For the Year Ended June 30, 2019

Notes to Required Supplementary Information

Changes of Benefit Terms include:

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

Changes of Assumptions include:

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

Schedule of the Employer's Proportionate Share
of the Total Collective OPEB Liability
For the Year Ended June 30, 2020

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

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

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

Notes to Required Supplementary Information (Schedule 1)

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

Changes in assumptions -

In the valuation for 2018, the discount rate increased from 2.71% to 3.13%

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

In the valuation for 2020, the discount rate decreased from 2.98% to 2.79%.



Broussard & Company
Certified Public Accountants

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

Board of Commissioners
Sabine River Authority
State of Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sabine River Authority as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sabine River Authority's basic financial statements, and have issued our report thereon dated September 8, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Broussard and Company

Lake Charles, Louisiana
September 8, 2020

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

We have audited the financial statements of Sabine River Authority, State of Louisiana, as of and for the year ended June 30, 2020, and have issued our report thereon dated September 8, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2020 resulted in a qualified opinion.

Section I – Summary of Auditor’s Reports

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

1. Internal Control

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

2. Federal Awards – not applicable

Section II – Financial Statement Findings

Not applicable

Section III – Federal Award Findings and Questioned Costs

Not applicable

**SABINE RIVER AUTHORITY,
STATE OF LOUISIANA
Schedule of Prior Year Findings
Year Ended June 30, 2020**

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

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

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

Division of Administration Annual Report

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

AGENCY: 20-31 - Sabine River Authority
 PREPARED BY: Michael DeFalco
 PHONE NUMBER: 337-439-6600
 EMAIL ADDRESS: Mike.defalco@bc-cpa.com
 SUBMITTAL DATE: 09/08/2020 01:27 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	16,242,552.57
RESTRICTED CASH AND CASH EQUIVALENTS	6,674,347.38
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	1,850,285.00
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	\$24,767,184.95

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	543,425.96
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	18,199,913.50
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	1,434,915.50
BUILDINGS AND IMPROVEMENTS	18,611,858.47
MACHINERY AND EQUIPMENT	1,942,396.94
INFRASTRUCTURE	27,717,470.02
INTANGIBLE ASSETS	4,639,380.49
CONSTRUCTION IN PROGRESS	4,825,592.39
OTHER NONCURRENT ASSETS	78,883.51
TOTAL NONCURRENT ASSETS	\$77,993,836.78
TOTAL ASSETS	\$102,761,021.73

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	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
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	217,628.55

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PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,636,816.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$1,854,444.55

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$104,615,466.28
--	-------------------------

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	282,599.16
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	10,444.66
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	1,059,000.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$1,352,043.82

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	240,819.18
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	9,918,000.00
TOTAL OPEB LIABILITY	5,236,469.00
NET PENSION LIABILITY	6,608,230.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL LONG-TERM LIABILITIES	\$22,003,518.18
TOTAL LIABILITIES	\$23,355,562.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	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 ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	1,106,014.16

**ANNUAL FISCAL REPORT (AFR)
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PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	1,819,983.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$2,925,997.16
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	43,555,233.52
RESTRICTED FOR:	
CAPITAL PROJECTS	6,660,914.47
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	13,432.91
UNRESTRICTED	\$28,104,326.22
TOTAL NET POSITION	\$78,333,907.12

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

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SUBMITTAL DATE: 09/08/2020 01:27 PM

STATEMENT OF ACTIVITIES

PROGRAM REVENUES

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
17,113,642.95	16,531,903.97	0.00	0.00	\$(581,738.98)

GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	614,267.89
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	\$32,528.91
NET POSITION - BEGINNING	\$78,301,378.21
NET POSITION - RESTATEMENT	0.00
NET POSITION - ENDING	\$78,333,907.12

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

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SUBMITTAL DATE: 09/08/2020 01:27 PM

DUES AND TRANSFERS

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

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

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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
Series 2018	09/01/2018	12,000,000.00	10,977,000.00	0.00	\$ 10,977,000.00	0.00
		Totals	\$10,977,000.00	\$0.00	\$10,977,000.00	\$0.00

Series - Unamortized Premiums:

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

Series - Unamortized Discounts:

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

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SUBMITTAL DATE: 09/08/2020 01:27 PM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2021	1,059,000.00	323,872.50
2022	1,096,000.00	290,470.00
2023	1,134,000.00	255,905.00
2024	1,174,000.00	220,131.00
2025	1,215,000.00	183,101.50
2026	1,257,000.00	144,785.50
2027	1,301,000.00	105,136.50
2028	1,347,000.00	64,092.50
2029	1,394,000.00	21,607.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$10,977,000.00	\$1,609,101.50

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

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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 6/30/2019 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. 132,780.42

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 2,039,437.00

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 (7/1/2019 - 6/30/2020). 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 6/30/2020 for their OPEB valuation report.)

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

AGENCY: 20-31 - Sabine River Authority

PREPARED BY: Michael DeFalco

PHONE NUMBER: 337-439-6600

EMAIL ADDRESS: Mike.defalco@bc-cpa.com

SUBMITTAL DATE: 09/08/2020 01:27 PM

FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount
Total	\$0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2020**

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PREPARED BY: Michael DeFalco
PHONE NUMBER: 337-439-6600
EMAIL ADDRESS: Mike.defalco@bc-cpa.com
SUBMITTAL DATE: 09/08/2020 01:27 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.