ANNUAL FINANCIAL REPORT

LAKEFRONT MANAGEMENT AUTHORITY

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2021

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of the
Lakefront Management Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Lakefront Management Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 auditors' judgment, 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 Authority'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 opinions.

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To the Board of Commissioners of the
Lakefront Management Authority
November 30, 2021

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakefront Management Authority as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds Budget and Actual on page 52, and schedules of Proportionate Share of Net Pension Liability, Contributions – Retirement Plan, Proportionate Share of the Collective Net OPEB Liability on pages 53 - 5 and the related Notes to Required Supplemental Information on page 56 - 57 (together "required supplementary information") are presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Benefits and Other Payments to Agency Head and the Schedule of Expenditures of Federal Awards are 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 November 30, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

November 30, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

The Management's Discussion and Analysis of the Lakefront Management Authority (the Authority) presents a narrative overview and analysis of the Authority's financial results for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts relating to the Authority and the following five organizations:

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority's funds are classified as "governmental funds" and "proprietary funds". Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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

LAKEFRONT MANAGEMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021

FINANCIAL HIGHLIGHTS

Condensed Statement of Net Position

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

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	Restated 2020	2021	Restated 2020	2021	2020
Current and other assets	$ 2,216	$ 2,521	$ 6,831	$ 8,651	$ 9,047	$ 11,171
Capital assets	69	84	63	79	132	163
Total assets	2,285	2,605	6,894	8,730	9,179	11,335
Total deferred outflows of resources	169	132	1,712	1,178	1,881	1,309
Current liabilities	1,670	2,596	970	1,364	2,639	3,960
Long-term liabilities	702	907	6,389	5,169	7,090	6,076
Total liabilities	2,371	3,503	7,359	6,532	9,730	10,035
Total deferred inflows of resources	97	42	478	484	575	526
Net investment in capital assets	69	84	63	79	132	163
Unrestricted	(83)	(893)	706	2,812	623	1,919
Total net position	$ (14)	$ (809)	$ 769	$ 2,891	$ 754	$ 2,082

- The Authority's total net position at the close of fiscal year 2021 was $754 thousand which was a decrease of approximately $1.3 million from the $2 million reported at the close of fiscal year 2020. The decrease is primarily due to the increased losses sustained in operating the Lakefront Airport, Orleans Marine, and Southshore Harbor due to increased maintenance costs.

Condensed Statement of Activities

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

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Program revenues	$ -	$ 5	$ 6,797	$ 13,541	$ 6,797	$ 13,545
Property management expenses	(1,150)	(1,590)	(8,166)	(5,665)	(9,316)	(7,255)
Program gain (loss)	(1,150)	(1,586)	(1,369)	7,876	(2,519)	6,290
General revenues and transfers	1,944	2,040	(753)	(7,838)	1,192	(5,798)
Changes in net position	$ 794	$ 454	$ (2,122)	$ 38	$ (1,328)	$ 492

- Net program loss decreased by approximately $8.9 million in the 2021 fiscal year. This is primarily due to grant revenues of nearly $8 million in 2020, which were mostly for Lakefront Airport improvements.
- Net position decreased by $1.3 million due to losses sustained in managing the Lakefront Airport, Orleans Marina, and Southshore Harbor.

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Equipment	$ 69	$ 84	$ 63	$ 79	$ 132	$ 163
Total capital assets, net	$ 84	$ 84	$ 79	$ 79	$ 163	$ 163

The decreases in fixed assets were due to depreciation adjustments. Improvements made to properties under the Authority's control totaling approximately $900 thousand were transferred to the Orleans Levee District.

LONG-TERM LIABILITIES

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

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	Restated 2020	2021	2020	2021	2020
Compensated absenses	$ 79	$ 237	$ 86	$ 71	$ 165	$ 309
OPEB liability	76	81	870	931	945	1,012
Net pension liability	547	588	5,433	4,166	5,980	4,755
Total long-term liabilities	$ 702	$ 907	$ 6,389	$ 5,169	$ 7,090	$ 6,076

VARIATIONS BETWEEN EXPECTED AND ACTUAL AMOUNTS

The Authority's officials considered many factors when setting the original fiscal year 2021 budget such as anticipated revenues versus salary and benefit expenditures with additional staff, monthly services such as utilities, and expenditures required to maintain the assets (i.e. Trash Pick Up, Grass Cutting, etc.) Capital improvement projects were budgeted based on the remainder of revenues after those expenditures and the availability of grant revenues.

The revenue variance of $300 thousand between the actual amounts received versus the original budgeted amount is due to lower investment income than anticipated as the Louisiana Asset Management Pool decreased its funds' crediting rates during 2021. Variances from the original budgeted expenditures to actual expenditures were a variance of $1 million (expenses were under budget) primarily due to lower contractual services expenditures than anticipated.

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

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

- Changes in organization processes
- Necessary major maintenance and project expenditures
- Additional boat slip capacity in the New Orleans area
- Changes resulting from COVID-19 and related safety protocols

Contacting the Authority's Management

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

BASIC FINANCIAL STATEMENTS

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS:			
Cash and cash equivalents	$ 468,846	$ -	$ 468,846
Investments - LAMP	7,462,325	-	7,462,325
Receivables, net	1,532	210,187	211,719
Internal balances	(5,994,721)	5,994,721	-
Due from other governments	152,787	589,823	742,610
Due from OLD general fund	122,560	-	122,560
Other assets	2,707	36,045	38,752
Total current assets	2,216,036	6,830,776	9,046,812
NON-CURRENT ASSETS:			
Capital assets, net of depreciation	68,703	63,127	131,830
Total noncurrent assets	68,703	63,127	131,830
Total assets	2,284,739	6,893,903	9,178,642
DEFERRED OUTFLOWS OF RESOURCES:			
OPEB deferrals	25,971	254,110	280,081
Pension deferrals	143,219	1,457,749	1,600,968
Total deferred outflows of resources	169,190	1,711,859	1,881,049
CURRENT LIABILITIES:			
Accounts payable	715,115	3,006	718,121
Contracts payable	-	51,168	51,168
Deferred revenues	2,000	380,152	382,152
Accrued payroll liabities	152,550	73,412	225,962
Due to OLD general fund	799,883	-	799,883
Other liabilities	-	462,154	462,154
Total current liabilities	1,669,548	969,892	2,639,440
NON-CURRENT LIABILITIES:			
Accrued compensated absences	78,901	86,439	165,340
Post-employment benefit liability	75,633	869,774	945,407
Net pension liability	547,044	5,432,604	5,979,648
Total noncurrent liabilities	701,578	6,388,817	7,090,395
Total liabilities	2,371,126	7,358,709	9,729,835
DEFERRED INFLOWS OF RESOURCES:			
OPEB deferrals	35,764	411,309	447,073
Pension deferrals	61,333	67,028	128,361
Total deferred inflows of resources	97,097	478,337	575,434
NET POSITION:			
Net investment in capital assets	68,703	63,127	131,830
Unrestricted	(82,997)	705,589	622,592
Total net position	$ (14,294)	$ 768,716	$ 754,422

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

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Postion		
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Property management	$ 1,149,826	$ -	$ -	$ (1,149,826)	$ -	$ (1,149,826)
Total governmental activities	1,149,826	-	-	(1,149,826)	-	(1,149,826)
Business-Type Activities						
South Shore Harbor Marina	1,753,039	767,681	-	-	(985,358)	(985,358)
Lakefront Airport	4,566,335	2,146,942	1,092,483	-	(1,326,910)	(1,326,910)
Orleans Marina	1,274,895	1,401,868	2,669	-	129,642	129,642
New Basin Canal	224,584	1,137,883	-	-	913,299	913,299
Non-major funds	347,327	247,257	-	-	(100,070)	(100,070)
Total business-type activities	8,166,180	5,701,631	1,095,152	-	(1,369,397)	(1,369,397)
Total functions/programs	$ 9,316,006	$ 5,701,631	$ 1,095,152	(1,149,826)	(1,369,397)	(2,519,223)
	General revenues, special items and transfers:					
	Taxes			1,841,609	-	1,841,609
	Investment earnings			7,971	-	7,971
	Miscellaneous income			87,164	142,791	229,955
	Gain (loss) on disposals of assets			-	26,717	26,717
	Litigation settlments			7,450	-	7,450
	Transfers (to)/from SLFPAE			-	(922,172)	(922,172)
	Total general revenues, special items and transfers			1,944,194	(752,664)	1,191,530
	Change in net position			794,368	(2,122,061)	(1,327,693)
	Net postion - beginning of year			(598,528)	3,294,019	2,695,491
	Restatement of net position			(210,134)	(403,242)	(613,376)
	Net position, as restated - beginning of year			(808,662)	2,890,777	2,082,115
	Net position - end of year			$ (14,294)	$ 768,716	$ 754,422

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

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

ASSETS

	LMA OLD Real Estate Fund	LMA General Improvement Fund	Total Governmental Funds
CURRENT ASSETS:			
Cash and cash equivalents	$ 468,846	$ -	$ 468,846
Investments - LAMP	7,462,325	-	7,462,325
Investments	-	-	-
Receivables	1,532	-	1,532
Due from other funds	16,249,075	-	16,249,075
Due from other governments	-	152,787	152,787
Other assets	2,707	-	2,707
Total assets	$ 24,184,485	$ 152,787	$ 24,337,272
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable	$ 715,115	$ -	$ 715,115
Contracts payable	-	-	-
Other accrued	154,550	-	154,550
Due to other funds	20,754,270	2,166,849	22,921,119
Due to other agencies	-	-	-
Total liabilities	21,623,935	2,166,849	23,790,784
FUND BALANCES:			
Nonspendable:			
Prepaid and other assets	2,707	-	2,707
Unassigned	2,557,843	(2,014,062)	543,781
Total fund balances (deficit)	2,560,550	(2,014,062)	546,488
Total liabilities, deferred inflows of resources, and fund balances	$ 24,184,485	$ 152,787	$ 24,337,272

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

LAKEFRONT MANAGEMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINED BALANCE SHEET
TO THE COMBINED STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Fund balances - total governmental funds	$	546,488
Amounts reported for governmental activities in the Combined Statement of Net Position are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of $1,359,756		68,703
Deferred outflows of resources related to pensions and OPEB are not reported in the governmental funds:		
Pensions		143,219
OPEB		25,971
Pension and OPEB related deferrals are deferred inflows of resources on the statement of net position:		
Pensions		(61,333)
OPEB		(35,764)
Liabilities that are not due and payable within 60 days of year-end and, therefore, and not reported in the funds		
Accrued compensated absences		(78,901)
Post-employment benefit liability		(75,633)
Net pension liability		(547,044)
Net position of governmental activities	$	(14,294)

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

LAKEFRONT MANAGEMENT AUTHORITY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	LMA OLD Real Estate Fund	LMA General Improvement Fund	Total Governmental Funds
REVENUES:			
Taxes	$ 1,841,609	$ -	$ 1,841,609
Other	87,164	30,742	117,906
Investment earnings (loss)	7,971	-	7,971
Total revenues	1,936,744	30,742	1,967,486
EXPENDITURES:			
Personnel services	176,073	-	176,073
Travel	369	-	369
Contractual services	873,857	-	873,857
Materials and supplies	77,232	-	77,232
Professional services	159,442	-	159,442
Other expenses	28,212	-	28,212
Total expenditures	1,315,185	-	1,315,185
Excess (deficiency) of revenues over expenditures	621,559	30,742	652,301
OTHER FINANCING SOURCES (USES):			
Litigation payments	7,450	-	7,450
Total other financing sources (uses)	7,450	-	7,450
Net change in fund balances	629,009	30,742	659,751
Fund balances (deficit) - beginning of year	1,931,541	(2,044,804)	(113,263)
Fund balances (deficit) - end of year	$ 2,560,550	$ (2,014,062)	$ 546,488

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

LAKEFRONT MANAGEMENT AUTHORITY

RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE TO THE COMBINED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Change in fund balances - total governmental funds	$	659,751
Amounts reported for governmental activities in the Combined Statement of Activities and Changes in Net Position are different because governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Depreciation expense		(15,586)
Some items reported in the Combined Statement of Activities and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Compensated absences		120,997
Post-employment benefit obligation		(13,924)
Pension expense		43,130
Change in net position	$	794,368

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

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AS OF JUNE 30, 2021

	Major Funds				Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Other Proprietary Funds	Total Proprietary Funds
CURRENT ASSETS:						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Receivables, net of allowance for uncollectables accounts	39,208	95,142	67,692	2,660	5,485	210,187
Due from other funds	827,975	-	6,834,831	11,722,417	569,164	19,954,387
Due from other governments	-	589,823	-	-	-	589,823
Other assets	145	35,056	763	-	81	36,045
Total current assets	867,328	720,021	6,903,286	11,725,077	574,730	20,790,442
NONCURRENT ASSETS:						
Other capital assets, net of depreciation	6,380	56,747	-	-	-	63,127
Total noncurrent assets	6,380	56,747	-	-	-	63,127
Total assets	873,708	776,768	6,903,286	11,725,077	574,730	20,853,569
DEFERRED OUTLFOWS OF RESOURCES:						
Pensions	226,375	873,935	215,074	36,157	106,208	1,457,749
OPEB	37,085	174,483	32,099	8,702	1,741	254,110
Total deferred outflows of resources	263,460	1,048,418	247,173	44,859	107,949	1,711,859
Total assets and deferred outflow of resources	1,137,168	1,825,186	7,150,459	11,769,936	682,679	22,565,428
CURRENT LIABILITIES:						
Accounts payable	-	3,006	51,168	-	-	54,174
Due to other funds	-	13,959,666	-	-	-	13,959,666
Rents paid in advance	281,287	19,237	28,128	51,500	-	380,152
Other liabilities	47,692	451,010	28,602	5,092	3,170	535,566
Total current liabilities	328,979	14,432,919	107,898	56,592	3,170	14,929,558
NONCURRENT LIABILITIES:						
Accrued compensated absences	9,138	71,006	6,295	-	-	86,439
Post-employment benefit liability	132,358	548,336	132,357	47,270	9,453	869,774
Net pension liability	843,632	3,256,898	801,519	128,387	402,168	5,432,604
Total noncurrent liabilities	985,128	3,876,240	940,171	175,657	411,621	6,388,817
Total liabilities	1,314,107	18,309,159	1,048,069	232,249	414,791	21,318,375
DEFERRED INFLOWS OF RESOURCES:						
Pensions	10,408	40,184	9,890	1,376	5,170	67,028
OPEB	62,590	259,303	62,591	22,354	4,471	411,309
Total deferred inflows of resources	72,998	299,487	72,481	23,730	9,641	478,337
NET POSITION:						
Net investment in capital assets	6,380	56,747	-	-	-	63,127
Unrestricted	(256,317)	(16,840,207)	6,029,909	11,513,957	258,247	705,589
Total net position	$ (249,937)	$ (16,783,460)	$ 6,029,909	$ 11,513,957	$ 258,247	$ 768,716

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

LAKEFRONT MANAGEMENT AUTHORITY

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds				Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Other Proprietary Funds	Total Proprietary Funds
OPERATING REVENUES:						
Charges for services						
Rentals	$ 767,681	$ 1,689,836	$ 1,401,868	$ 1,137,883	$ 247,257	$ 5,244,525
Fuel flowage fees	-	457,106	-	-	-	457,106
Total charges for services	767,681	2,146,942	1,401,868	1,137,883	247,257	5,701,631
Miscellaneous income	27,304	90,312	24,975	-	200	$ 142,791
Total operating revenues	794,985	2,237,254	1,426,843	1,137,883	247,457	5,844,422
OPERATING EXPENSES:						
Personnel services	594,411	2,094,426	511,389	36,105	247,747	3,484,078
Contractual services	545,982	1,678,814	619,772	9,410	74,325	2,928,303
Materials and supplies	50,029	99,093	35,165	-	979	185,266
Professional services	53,362	293,962	73,098	164,430	24,036	608,888
Other charges	136,279	33,450	32,840	14,639	240	217,448
Depreciation	2,127	13,762	-	-	-	15,889
Major maintenance	370,849	352,828	2,631	-	-	726,308
Total operating expenses	1,753,039	4,566,335	1,274,895	224,584	347,327	8,166,180
Net operating income (loss)	(958,054)	(2,329,081)	151,948	913,299	(99,870)	(2,321,758)
NONOPERATING REVENUES (EXPENSES):						
Grant income	-	1,092,483	2,669	-	-	1,095,152
Transfers to governmental activities	-	(206,474)	(715,698)	-	-	(922,172)
Gain on sale of assets	-	26,717	-	-	-	26,717
Total nonoperating revenues	-	912,726	(713,029)	-	-	199,697
Change in net position	(958,054)	(1,416,355)	(561,081)	913,299	(99,870)	(2,122,061)
Total net position - beginning of year	708,117	(14,963,863)	6,590,990	10,600,658	358,117	3,294,019
Restatement of net position	-	(403,242)	-	-	-	(403,242)
						-
Total net position - beginning of year	708,117	(15,367,105)	6,590,990	10,600,658	358,117	2,890,777
Total net position - end of year	$ (249,937)	$ (16,783,460)	$ 6,029,909	$ 11,513,957	$ 258,247	$ 768,716

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

LAKEFRONT MANAGEMENT AUTHORITY
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds				Non-Major	Total
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Other Proprietary Funds	Proprietary Funds
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:						
Receipts from customers	$ 822,773	$ 2,154,417	$ 1,469,910	$ 1,187,156	$ 250,543	$ 5,884,799
Other operating cash receipts	27,304	90,312	24,975	-	200	142,791
Payments to suppliers	(468,003)	(1,814,976)	(356,048)	(1,057,866)	(181,949)	(3,878,842)
Payments to employees	(382,074)	(1,609,085)	(425,808)	(132,122)	(68,794)	(2,617,883)
Net cash from (used in) operating activities	-	(1,179,332)	713,029	(2,832)	-	(469,135)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from federal and state grants	-	1,359,089	2,669	2,832	-	1,364,590
Purchase of capital assets	-	(206,474)	(715,698)	-	-	(922,172)
Proceeds from sale of capital assets	-	26,717	-	-	-	26,717
Net cash from (used in) capital and related financing activities	-	1,179,332	(713,029)	2,832	-	469,135
Net change in cash	-	-	-	-	-	-
Cash− beginning of year	-	-	-	-	-	-
Cash− end of year	$ -	$ -	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FROM (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	$ (958,054)	$ (1,416,355)	$ (561,081)	$ 913,299	$ (99,870)	$ (2,122,061)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:						
Depreciation expense	2,127	13,762	-			15,889
Cash from (used in) other areas	-	(1,179,332)	713,029	(2,832)	-	(469,135)
Change in assets and liabilities:						
Receivables, net	139,453	386,556	64,842	69,643	6,651	667,145
Due from other funds	1,007,883	-	394,497	(869,387)	(88,904)	444,089
Prepaid expenses and other assets	(41)	(28,401)	182	-	-	(28,260)
Accounts and other payables	-	(344,005)	30,681	-	3,170	(310,154)
Due to other funds	(293,809)	1,027,417	-	-	-	733,608
Post-employment benefit liability	734	(28,782)	(9,391)	(3,354)	(20,921)	(61,714)
Net pension liability	271,386	666,728	159,604	(112,870)	281,540	1,266,388
Other liabilities	(69,967)	24,084	(6,487)	(12,446)	-	(64,816)
Change in deferred outflows of resources	(104,375)	(300,478)	(71,612)	17,769	(75,591)	(534,287)
Change in deferred inflows of resources	4,663	(526)	(1,235)	(2,654)	(6,075)	(5,827)
Net cash from (used in) operating activities	$ -	$ (1,179,332)	$ 713,029	$ (2,832)	$ -	$ (469,135)

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

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

Measurement Focus, Basis Of Accounting, And Financial Statement Presentation

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The statement of activities demonstrates the degree to which the direct expenses of the given functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (allocated to functions based on actual revenues and expenditures) and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as general revenues.

Basis of Accounting

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

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

Fund Financial Statements

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

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

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance

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

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Authority to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

Net Position

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position (Continued)

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

Major Funds

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of commercial paper held by the state treasurer. The Authority was fully covered by the Federal Deposit Insurance Corporation ("FDIC") and pledged securities at June 30, 2021.

Investments - LAMP

The Louisiana Asset Management Pool ("LAMP") is administered by LAMP, Inc., a non-profit Corporation, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP is rated AAA by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to the account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

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

Receivables

All receivables are shown net of allowance for doubtful accounts.

Interfund Receivables or Payables

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

Inventory

Supplies and fuel are expensed when purchased.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

Compensated Absences

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

Other Post-Employment Benefits

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

Long-term Obligations

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

Balance Sheet

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

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

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

All original budgets were adopted on April 23, 2020. The budgeted amounts are included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Governmental Funds.

The most significant changes made are described below:

Revenues

Authority's original budget for governmental funds called for a total of $2,173,000 in revenues, with the budget not being amended for revenues. The Authority had an unfavorable revenue variance of $110,462.

Expenditures

The Authority's budget for governmental funds called for total expenditures of $2,586,489. The budget to actual variance was favorable by $927,020. Combined variances in the final budget amounts and actual results are shown in the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Governmental Funds.

Date of Management's Review

Subsequent events have been evaluated through November 30, 2021, the date the financial statements were available to be issued.

(2) CASH AND INVESTMENTS

Cash

Cash includes petty cash and demand deposits. Cash equivalents may include amounts in time deposits, money market mutual funds, commercial paper, and United States Treasury bills.

	Cash	LAMP	Total
Balance per agency books	$ 468,846	$ 7,462,325	$ 7,931,171
Deposits in bank and investment accounts per banks	$ 742,772	$ 7,462,325	$ 8,205,097

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

(2) CASH AND INVESTMENTS

Investments

At June 30, 2021, the Authority had an investment of $7,462,235 with the Louisiana Asset Management Pool (LAMP), which is included in investments. LAMP is stated at amortized cost and is therefore not included in the fair value hierarchy.

(3) CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2021 is as follows:

	Restated 6/30/2020	Additions	Reductions	6/30/2021
Governmental Activities:				
Capital assets being depreciated:				
Equipment	$ 212,540	$ -	$ -	$ 212,540
Total capital assets being depreciated	212,540	-	-	212,540
Less accumulated depreciation for:				
Equipment	128,251	15,586	-	143,837
Total accumulated depreciation	128,251	15,586	-	143,837
Total capital assets being depreciated, net	84,289	(15,586)	-	68,703
Governmental activities capital assets, net	$ 84,289	$ (15,586)	$ -	$ 68,703

A summary of changes in proprietary fixed assets for the year ended June 30, 2021 is as follows:

	6/30/2020	Additions	Reductions	6/30/2021
Capital assets being depreciated:				
Equipment	1,444,911	-	(165,865)	1,279,046
Total capital assets being depreciated	1,444,911	-	(165,865)	1,279,046
Less accumulated depreciation for:				
Equipment	1,365,895	15,889	(165,865)	1,215,919
Total accumulated depreciation	1,365,895	15,889	(165,865)	1,215,919
Total capital assets being depreciated, net	79,016	(15,889)	-	63,127
Business-type activities capital assets, net	$ 79,016	$ (15,889)	$ -	$ 63,127

(3) CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the Authority as follows:

Governmental activities:		
Property Management	$	15,586
Total depreciation expense, governmental activities	$	15,586
Business-type activities:		
South Shore Harbor Marine	$	2,127
Lakefront Airport		13,762
Total depreciation expense, business-type activities	$	15,889

(4) COMPENSATED ABSENCES

The cost of leave privileges, computed in accordance with GASB Codification Section C60 *Compensated Absences*, is recognized as an expense when leave is earned. The combined statement of net position present the cost of accumulated annual and compensatory leave as a liability. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay this amount when employees separate from service. The combined value of accrued annual leave and compensatory leave at June 30, 2021 was $165,340.

(5) RETIREMENT BENEFITS

Plan Description - LASERS

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

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

Retirement Benefits - LASERS

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

(5) RETIREMENT BENEFITS (CONTINUED)

Retirement Benefits - LASERS (Continued)

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

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

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

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Deferred Retirement Benefits - LASERS

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

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

Disability Benefits - LASERS

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of the final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits - LASERS

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

(5) RETIREMENT BENEFITS (CONTINUED)

Survivor's Benefits - LASERS (Continued)

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

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

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

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

Contributions - LASERS

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

The employer contribution rates in effect during the year ended June 30, 2020 for the various plans follow:

Appellate Law Clerks	40.70%
Appellate Law Clerks hired on or after 7/01/06	40.70%
Alcohol Tobacco Control	33.90%
Bridge Police	39.80%
Bridge Police hired on or after 7/01/06	39.80%
Corrections Primary	36.90%
Corrections Secondary	40.70%
Harbor Police	7.70%
Hazardous Duty	41.70%
Judges hired before 1/01/11	42.40%
Judges hired after 12/31/10	42.00%
Judges hired on or after 7/01/15	42.00%
Legislators	40.40%
Optional Retirement Plan (ORP) before 7/01/06	40.70%
Optional Retirement Plan (ORP) on or after 7/01/06	40.70%
Peace Officers	39.40%
Regular Employees hired before 7/01/06	40.70%

(5) RETIREMENT BENEFITS (CONTINUED)

Contributions - LASERS (Continued)

Regular Employees hired on or after 7/01/06	40.70%
Regular Employees hired on or after 1/01/11	40.70%
Regular Employees hired on or after 7/01/15	40.70%
Special Legislative Employees	42.40%
Wildlife Agents	49.70%

The Authority's contractually required composite contribution rate for the year ended June 30, 2021 was 37.90% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Authority were $664,425 for the year ended June 30, 2021.

Refunds of Contributions - LASERS

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

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

At June 30, 2021, the Authority reported a liability of $5,796,109 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020, the Authority's proportion was 0.070080%, which was a decrease of .000726% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Authority recognized pension expense of $1,015,127 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of $229,393.

(5) RETIREMENT BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – LASERS (Continued)

At June 30, 2021, 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	$ -	$ 55,664
Change in assumptions	18,546	-
Net difference between projected and actual earnings on pension plan investments	847,280	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,039	15,849
Employer contributions subsequent to the measurement date	664,425	-
Total	$ 1,555,290	$ 71,513

Deferred outflows of resources of $664,425 related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ending June 30,:

Year ending June 30:	
2022	$ 117,103
2023	241,955
2024	261,831
2025	198,463
Total	$ 819,352

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions – LASERS

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.55% per annum.
Inflation Rate	2.30% per annum.
Mortality	Non-disabled members – Mortality rates 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. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members 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:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions – LASERS (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020. 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, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.59%
Domestic equity	4.79%
Internaitonal equity	5.83%
Domestic fixed income	1.76%
Internaional fixed income	3.98%
Alterntive investmenrts	6.69%
Risk parity	5.81%
Total fund	7.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the Net Pension Liability using the discount rate of 7.55%, as well as what the Authority's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.55%) or one percentage-point higher (8.55%) than the current rate:

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions – LASERS (Continued)

	1% Decrease 6.55%	Current Discount Rate 7.55%	1% Increase 8.55%
Authority's proportionate share of the net pension liability	$ 7,120,495	$ 5,796,109	$ 4,669,181

Pension Plan Fiduciary Net Position - LASERS

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2020 Comprehensive Annual Financial Report at www.lasersonline.org.

Plan Description - TRSL

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

Benefits Provided - TRSL

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

Normal Retirement

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

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

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

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

(5) RETIREMENT BENEFITS (CONTINUED)

Benefits Provided - TRSL (Continued)

Normal Retirement (Continued)

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

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

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

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

Members hired before July 1, 2015

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

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

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

Benefit Formula - TRSL

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

Payment Options – TRSL

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

(5) RETIREMENT BENEFITS (CONTINUED)

Deferred Retirement Option Program (DROP) – TRSL

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

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

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

Disability Retirement Benefits - TRSL

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

Survivor Benefits – TRSL

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

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

(5) RETIREMENT BENEFITS (CONTINUED)

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

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

Contributions – TRSL

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The agency's contractually required composite contribution rate for the year ended June 30, 2021 was 25.0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $20,591 for the year ended June 30, 2021.

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

At June 30, 2021, the Authority reported a liability of $183,539 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Agency's proportion was .001650% which was a decrease of .000679% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Agency recognized pension expense of $20,555 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of $36.

(5) RETIREMENT BENEFITS (CONTINUED)

At June 30, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,946
Change in assumptions	10,919	-
Net difference between projected and actual earnings on pension plan investments	14,168	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	53,902
Employer contributions subsequent to the measurement date	20,591	-
Total	$ 45,678	$ 56,848

$20,951 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2022	$ (11,041)
2023	(6,533)
2024	(6,197)
2025	(7,990)
Total	$ (31,761)

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions – TRSL

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected Remaining Service Lives	5 years
Investment rate of return	7.45% net of investment expenses*
Inflation rate	2.3% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service
Cost-of-living adjustments	None
Mortality	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System's members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.17% for 2020. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions – TRSL (Continued)

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return*
Domestic equity	27.0%	4.60%
International equity	19.0%	5.54%
Domestic fixed income	13.0%	0.69%
International fixed income	5.5%	1.50%
Private equity	25.5%	8.62%
Other private assets	10.0%	4.45%

Discount Rate - TRSL

The discount rate used to measure the total pension liability was 7.45%.

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - TRSL

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.45%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.45%) or one percentage-point higher (8.45%) than the current rate:

	1% Decrease 6.55%	Current Discount Rate 7.55%	1% Increase 8.55%
Authority's proportionate share of the net pension liability	$ 239,595	$ 183,539	$ 136,351

Pension Plan Fiduciary Net Position – TRSL

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL's 2020 Comprehensive Annual Financial Report at www.trsl.org.

(6) OTHER POST-EMPLOYMENT BENEFITS

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, and OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 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:

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

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

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

At June 30, 2021, the Authority reported a liability of $945,407 for its proportionate share of the total collective OPEB liability. The net OPEB liability was measured as of July 01, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportionate share of the total collective OPEB liability at June 30, 2020 was based on a projection of the Authority's total OPEB liability relative to the projected total OPEB liability of all participating employers, actuarially determined. At July 01, 2020, the Authority's proportion was .0114%, a decrease of .0017% from its proportion at July 01, 2019.

For the year ended June 30, 2021 the Authority recognized OPEB expense of $57,989. At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 21,743	$ 1,820
Change in assumptions	24,717	90,468
Changes in proportion and differences between employer contributions and proportionate share of contributions	127,581	354,785
Employer contributions subsequent to the measurement date	106,040	-
Total	$ 280,081	$ 447,073

The $106,040 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022.

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

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Year ending June 30:		
2022	$	(84,663)
2023		(104,230)
2024		(75,311)
2025		(8,828)
Total	$	(273,032)

Actuarial assumptions and other inputs

The total collective OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, level percentage of pay
Expected Remaining Service Lives	4.50 years
Inflation Rate	Consumer Price Index (CPI) 2.8%
Salary increase rate	Consistent with state's pension plan
Discount rate	2.66% based on the S&P Municipal Bond 20-year high grade rate index
Mortality rates	Based on the RP-2014 Blue Collar Employee Table, adjusted by .978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018
Healthcare cost trend rates	6.75% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.25% 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.

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

The following presents the total OPEB liability of the primary government of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.66%) or one percentage point higher (3.66%) than the current discount rate:

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
Authority's proportionate share of the collective total OPEB liability	$ 1,137,234	$ 945,407	$ 796,212

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

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

	1% Decrease	Current Trend Rate	1% Increase
Authority's proportionate share of the collective total OPEB liability	$ 805,086	$ 945,407	$ 1,130,053

(7) LEASES

Operating Leases

The LMA manages and leases boat slips, boathouses, and building space to certain parties under operating leases. At June 30, 2021, the total cost of the land, buildings and improvements leased to others is $183 million. At June 30, 2021 these assets had $95 million of related accumulated depreciation. Current year rents amount to $5.5 million. The amount derived from contingent rent increases was not significant. The amounts reported represent rents due on non-cancelable leases currently in effect. Future minimum rental payments to be received under these operating leases are as follows for the years ending June 30:

2022	$ 4,444,351
2023	2,265,470
2024	1,740,896
2025	1,347,583
2026	95,400
2027-2031	711,180
2032-2036	684,740
Total	$ 11,289,620

(8) LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following schedules summarize the changes in long-term debt during the year ended June 30, 2021:

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Due Within One Year
Governmental Activities:					
Compensated absences	$ 237,493	$ -	$ (158,592)	$ 78,901	$ -
Net pension liability	378,161	168,883	-	547,044	-
Net OPEB liability	80,999	-	(5,366)	75,633	-
Total governmental activities	696,653	168,883	(163,958)	701,578	-
Business-Type Activities:					
Compensated absences	71,125	15,314	-	86,439	-
Net pension liabilities	4,166,216	1,266,388	-	5,432,604	-
Net OPEB liability	931,488	-	(61,714)	869,774	-
Total business-type activities	5,168,829	1,281,702	(61,714)	6,388,817	-
Total governmental and business-type activities	$ 5,865,482	$ 1,450,585	$ (225,672)	$ 7,090,395	$ -

(9) CONTINGENT LIABILITIES

Litigation

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

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

Federally Assisted Grant Programs

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

(9) CONTINGENT LIABILITIES (CONTINUED)

Sewerage and Water Board of New Orleans

The Authority had issues with public infrastructure leading to water leaks during the year ended June 30, 2021 and continuing into 2022. The Authority had approximately $2.7 million in water charges from the Sewerage and Water Board of New Orleans (SWB) as of June 30, 2021. Management believes that a reasonable settlement will be achieved with the SWB and has therefore estimated a range of likely probabilities for an estimation of the accrual. As of June 30, 2021, the Authority accrued approximately $600,000 in payables to the SWB.

(10) TAX ABATEMENT

Orleans Parish

The City of New Orleans (the City) negotiates property tax abatement agreements on behalf of the city and its component units. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The District, through the City, has tax abatement agreements with seventeen commercial entities participating in the Restoration Tax Abatement (RTA) program as of June 30, 2021. The RTA projects have property assessed at $8,796,484 with exempt taxes attributable to the District of approximately $575,000.

(11) RESTATEMENT OF NET POSITION

The Authority adjusted its net pension liability and related deferred outflows and inflows for governmental activities for the year ended June 30, 2020 through prior period adjustments. The Authority has one employee who is involved in the Teachers' Retirement System of Louisiana, and Authority management determined that the liability had become significant to the financial statements as of June 30, 2020. This restatement did not have an effect on beginning fund balance. The following illustrates the restatement of beginning net position for governmental activities:

Governmental net position at June 30, 2020	$	(598,528)
Restated TRSL liability and deferrals		(210,134)
Governmental net position at June 30, 2020, as restated	$	(808,662)

The Authority adjusted its receivables for business type activities for the year ended June 30, 2020 through prior period adjustments. The Authority corrected an error in the amounts due from the federal government reported in the Statements of Net Position. The following illustrates the restatement of beginning net position for proprietary funds:

Proprietary net position at June 30, 2020	$	3,294,019
Corrected receivable balance		(403,242)
Proprietary net position at June 30, 2020, as restated	$	2,890,777

(12) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, as extended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 90, "Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61." The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, as extended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 91, "Conduit Debt Obligations." The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, "Omnibus 2020." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements are effective upon issuance. The remaining requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Authority plans to adopt this Statement as applicable by the effective date.

(12) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 93, "Replacement of Interbank Offered Rates." The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The Authority plans to adopt this Statement as applicable by the effective date.

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

LAKEFRONT MANAGEMENT AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS) - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	Budgetary Amounts	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Tax revenue	S 1,995,000	$ 1,841,609	$ (153,391)
Miscellaneous income	48,834	117,906	69,072
Investment income (loss)	233,000	7,971	(225,029)
Total revenues	2,276,834	1,967,486	(309,348)
EXPENDITURES:			
Personnel services	465,850	176,073	289,777
Travel and training	15,000	369	14,631
Professional services	295,000	873,857	(578,857)
Contractual services	1,368,700	77,232	1,291,468
Materials and supplies	150,000	159,442	(9,442)
Other charges	21,000	28,212	(7,212)
Capital outlays	23,000	-	23,000
Total expenditures	2,338,550	1,315,185	1,023,365
Excess (deficiency) of revenues over (under) expenditures	(61,716)	652,301	(714,017)
OTHER FINANCING SOURCES (USES):			
Litigation settlements	-	7,450	7,450
Total other financing (uses)	-	7,450	7,450
Net change in fund balance	(61,716)	659,751	
Fund balance, beginning of year	(113,263)	(113,263)	
Fund balance, end of year	S (174,979)	$ 546,488	

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

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021*

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

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

**The amounts presented have a measurement date of June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively. The Authority began participating in the Teachers' Retirement System during the year ended June 30, 2019.*

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

	2021	2020	2019	2018	2017	2016	2015
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM							
Contractually Required Contribution	$ 5,677,241	$ 570,019	$ 519,915	$ 447,993	$ 391,200	$ 381,924	$ 374,236
Contributions in Relation to the Contractually Required Contribution	(5,677,241)	(570,019)	(519,915)	(447,993)	(391,200)	(381,924)	(374,236)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll	$ 14,979,528	$ 1,400,537	$ 1,371,808	$ 1,181,204	$ 1,092,345	$ 1,024,891	$ 983,879
Contributions as a Percentage of Covered-Employee Payroll	37.90%	40.70%	37.90%	37.93%	35.81%	37.26%	38.04%
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM							
Contractually Required Contribution	$ 22,626	$ 20,356	$ 27,821	$ 17,220			
Contributions in Relation to the Contractually Required Contribution	(22,626)	(20,356)	(27,821)	(17,220)			
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -			
Authority's Covered-Employee Payroll	$ 80,807	$ 78,921	$ 107,005	$ 64,494			
Contributions as a Percentage of Covered-Employee Payroll	28.00%	25.79%	26.00%	26.70%			

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
The Authority began participating in the Teachers' Retirement System during the year ended June 30, 2019.

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

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

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

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

(1) PENSION PLAN SCHEDULES

Change of Benefit Terms

There was a 1.5% cost of living increase effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

Changes of Assumptions

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

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

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

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

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

(2) OPEB SCHEDULE

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

Change of Benefit Terms

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

Changes of Assumptions

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

(2) OPEB SCHEDULE (CONTINUED)

Changes of Assumptions (Continued)

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

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

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head:
Louis Capo (Executive Director)

	Louis Capo
Salary	$ 124,700
Benefits-health insurance	7,315
Benefits-retirement	53,301
Benefits-life insurance	673
Benefits-Fica and Medicare	1,734
Car allowance	9,000
	$ 196,723

See independent auditors' report.

SINGLE AUDIT SECTION

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

To the Board of Commissioners
Lakefront Management Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lakefront Management Authority(the "Authority") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

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

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

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

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of the
Lakefront Management Authority
November 30, 2021

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

November 30, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

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

To the Board of Commissioners
Lakefront Management Authority

Report on Compliance for Each Major Federal Program

We have audited the Lakefront Management Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of the
Lakefront Management Authority
November 30, 2021

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

November 30, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

LAKEFRONT MANAGEMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Homeland Security			
Pass - Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-1603-LA	$ 266,697
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-4458-LA	1,321
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-4080-LA	444,425
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-3543-LA	5,331
Total U.S. Department of Homeland Security			717,774
Federal Aviation Administration			
Airport Improvement Program	20.106	03-22-0038-031-2018	69,446
Airport Improvement Program	20.106	03-22-0038-032-2019	443,125
COVID-19 - Airport Improvement Program	20.106	03-22-0038-033-2020	57,000
Total Federal Aviation Administration			569,571
Total expenditures of federal awards			$ 1,287,345

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

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

Airport Improvement Program (CFDA No. 20.106)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2021.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Accrued and Deferred Reimbursement

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

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2021.

NOTE 4 – INDIRECT COST RATE

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

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

A. SUMMARY OF AUDIT RESULTS

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

2. No material weaknesses or significant deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements of the Lakefront Management Authority were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

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

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

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

7. A management letter was issued for the year ended June 30, 2021.

8. The programs tested as major programs was:

	CFDA Number
Airport Improvement Program	20.106

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

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

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

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

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

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

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not Applicable

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

Not Applicable

SECTION III - MANAGEMENT LETTER

Not Applicable

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

MANAGEMENT LETTER

November 30, 2021

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

In planning and performing our audit of the financial statements of Lakefront Management Authority (the Authority) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing auditing 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter summarizes our comment and suggestion concerning this matter. This letter does not affect our report dated November 30, 2021, on the financial statements of Lakefront Management Authority.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Authority personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

2021 – 001 TRACKING OF DUE FROM OTHER GOVERNMENTS

Management determined that as of June 30, 2020, a misstatement existed in the balance of receivables from two entities. Grant receivables and revenues for the Lakefront Airport were recorded in the 2018 fiscal year. When the grants were closed out in the year ended June 30, 2020, revenues were recorded again. This resulted in an adjustment to receivables and beginning net position in the Lakefront Airport proprietary fund. In order to ensure this situation does not occur again, we recommend management educate its entire accounting team on any long outstanding receivables or payables and ensure regular reconciliations of such accounts.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Authority, and is not intended to be, and should not be, used by anyone other than those specified parties.

Very truly yours,

Ericksen Krentel, LLP
Certified Public Accountants

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New Orleans, LA 70119
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LAKEFRONT MANAGEMENT AUTHORITY
MANAGEMENT'S CORRECTIVE ACTION PLAN – MANAGEMENT LETTER
FOR THE YEAR ENDED JUNE 30, 2021

November 30, 2021

Louisiana Legislative Auditor

Lakefront Management Authority (the Authority) respectfully submits the following corrective action plan for the year ended June 30, 2021.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: July 01, 2020 – June 30, 2021

The comment from the June 30, 2021 management letter is discussed below. The comment is numbered consistently with the number assigned in the letter.

SECTION III – MANAGEMENT LETTER ITEMS

2021-001 RECEIVABLE MANAGEMENT

Recommendation: Management should educate its entire accounting team on any long outstanding receivables or payables and ensure regular reconciliations of such accounts.

Response: Since management's discovery of the misstatement, it has determined the cause and necessary corrections to the financial statements and reviewed current controls. The current management team has filled key staffing positions that would detect and prevent this issue with receivables from recurring.

If there are any questions regarding this plan, please contact the Authority at New Orleans Lakefront Airport, Terminal Building, Suite 219, 6001 Stars & Stripes Blvd., New Orleans, Louisiana 70126..

Sincerely,

Signature EXECUTIVE DIRECTOR
Title