

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2022

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Honorable President
and Members of the Council
St. John the Baptist Parish Council
LaPlace, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish Council (the "Parish") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Parish as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of St. John the Baptist Parish Library, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for St. John the Baptist Parish Library, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison information, the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability for the Retirement Systems, the Schedule of Contributions to Each Retirement System, and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of compensation paid to St. John the Baptist Parish council members, the schedule of compensation, benefits, and other payments to the parish president, the justice system funding schedule – receiving entity-cash basis presentation, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, combining and individual nonmajor fund financial statements, the schedule of compensation paid to St. John the Baptist Parish council members, the schedule of compensation, benefits, and other payments to the parish president, the justice system funding schedule – receiving entity-cash basis presentation, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Parish'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 Parish'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 Parish's internal control over financial reporting and compliance.

Metairie, Louisiana
September 29, 2023

REQUIRED SUPPLEMENTARY INFORMATION

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

This section of the St. John the Baptist Parish Council's financial report presents our discussion and analysis of the Parish's financial performance during the year that ended on December 31, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the Parish's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of St. John the Baptist Parish Council exceeded its liabilities and deferred inflows of resources by approximately \$189 million (net position) at December 31, 2022. Of this amount approximately \$146 million is net investment in capital assets. The Parish has an unrestricted net position (deficit) balance of approximately \$(26.2) million in the governmental activities and \$(10.0) million in its business-type activities. In total, the net position of the Parish decreased in 2022 by approximately \$19.0 million.

As of the close of the current year, the Parish's governmental funds reported combined ending fund balances of approximately \$86.2 million, an increase of approximately \$23.5 million in comparison with the prior year. At the end of the current year, unassigned fund balance for the General Fund was approximately \$5.8 million, or 51% of the total General Fund expenditures.

The Parish was struck by Hurricane Ida on August 29, 2021. The storm caused major damage throughout the Parish and increased costs across several funds and departments. The Parish sought reimbursement of eligible expenditures via the Federal Emergency Management Agency's (FEMA) disaster assistance program and continues remediation.

The Parish's total debt increased by approximately \$40.3 million during the current year. This change was due to scheduled debt payments approximately \$7.5 million and additional debt incurred of \$47.8 million, \$30 million of which was taken out to recover from Hurricane Ida damages while waiting for funding from FEMA.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Parish.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Parish's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Parish government, reporting the Parish's operations in more detail than the government-wide statements.

Government-Wide Financial Statements

The government-wide financial statements report information about the Parish as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

The two government-wide statements report the Parish's net position and how they have changed. The government-wide financial statements are divided into three categories:

- Governmental activities – This category includes most of the Parish's basic services such as public safety, public works, economic development and general government. Sales taxes and property taxes finance most of these activities.
- Business-type activities – This category reflects operations that are financed and operated in a manner similar to private businesses where the Parish charges a fee for services it provides. The Parish's water, sewer, solid waste, and mosquito abatement systems are included here.
- Component Unit – This category includes the St. John Parish Library. This entity is legally separate from the Parish, but the Parish is financially accountable for it. The Library issues separate financial statements and has a year end of December 31. Complete financial statements may be obtained directly from the administrative office of St. John the Baptist Parish Library, 1334 West Airline Highway, LaPlace, Louisiana 70068. See Note 1 for further details.

Fund Financial Statements

The fund financial statements provide more detailed information about the Parish's most significant funds – not the Parish as a whole. Funds are accounting devices that the Parish uses to keep track of specific sources of funding and spending for particular purposes. The Parish has many funds to account for the numerous funding sources provided annually. However, the fund financial statements look at the Parish's major funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

The Parish has three types of funds:

Governmental funds – Most of the Parish's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end, and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash.

The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements are reconciled in the fund financial statements.

Proprietary funds – Services for which the Parish 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 business-type activities reported in the government-wide financial statements are the same as the proprietary funds reported in the fund financial statements, but the latter provide more detail and additional information, such as cash flows.

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

Fiduciary funds – Resources that are held for the benefit of parties outside the government are reported in fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Parish's own programs.

Notes to 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to in connection with nonmajor governmental funds and enterprise funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As mentioned earlier, the assets and deferred outflows of St. John the Baptist Parish Council exceeded its liabilities and deferred inflows of resources by approximately \$189 million at December 31, 2022. The largest portion of the net position is net investment in capital assets, which reflects capital assets net of any related outstanding debt associated with the acquisition of those assets less any unused proceeds of the debt issued. The Parish uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

The following table reflects condensed information on the Parish's net position:

	Statement of Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and other assets	\$ 122,421	\$ 101,937	\$ 8,562	\$ 9,272	\$ 130,983	\$ 111,209
Capital assets	<u>110,778</u>	<u>106,959</u>	<u>121,705</u>	<u>125,123</u>	<u>232,483</u>	<u>232,082</u>
Total assets	<u>233,199</u>	<u>208,896</u>	<u>130,267</u>	<u>134,395</u>	<u>363,466</u>	<u>343,291</u>
Deferred outflows	<u>10,218</u>	<u>9,555</u>	<u>3,463</u>	<u>3,657</u>	<u>13,681</u>	<u>13,212</u>
Liabilities						
Long-term liabilities	117,227	77,768	20,354	21,657	137,581	99,425
Other liabilities	<u>28,547</u>	<u>30,177</u>	<u>3,430</u>	<u>3,577</u>	<u>31,977</u>	<u>33,754</u>
Total liabilities	<u>145,774</u>	<u>107,945</u>	<u>23,784</u>	<u>25,234</u>	<u>169,558</u>	<u>133,179</u>
Deferred inflows	<u>13,247</u>	<u>11,961</u>	<u>5,262</u>	<u>3,236</u>	<u>18,509</u>	<u>15,197</u>
Net position						
Net investment in capital assets	33,929	68,816	111,853	116,590	145,782	185,406
Restricted	76,630	70,778	2,889	471	79,519	71,249
Unrestricted	<u>(26,163)</u>	<u>(41,049)</u>	<u>(10,058)</u>	<u>(7,479)</u>	<u>(36,221)</u>	<u>(48,528)</u>
Total net position	<u>\$ 84,396</u>	<u>\$ 98,545</u>	<u>\$ 104,684</u>	<u>\$ 109,582</u>	<u>\$ 189,080</u>	<u>\$ 208,127</u>

Another portion of St. John the Baptist Parish's net position (42.0%) represents resources that are subject to restrictions on how they may be used. The majority of these restricted assets are the result of recent bond issuances to provide capital improvements to roads, drainage, and water system, as well as Hurricane Ida recovery.

St. John the Baptist Parish's business-type activities net position decreased by approximately \$4.9 million due primarily to a decrease in capital assets in the current year. The Parish's governmental activities net position decreased approximately \$14.1 million. The decrease in net position of governmental activities is attributed to primarily to an increase in liabilities, offset by an increase in assets.

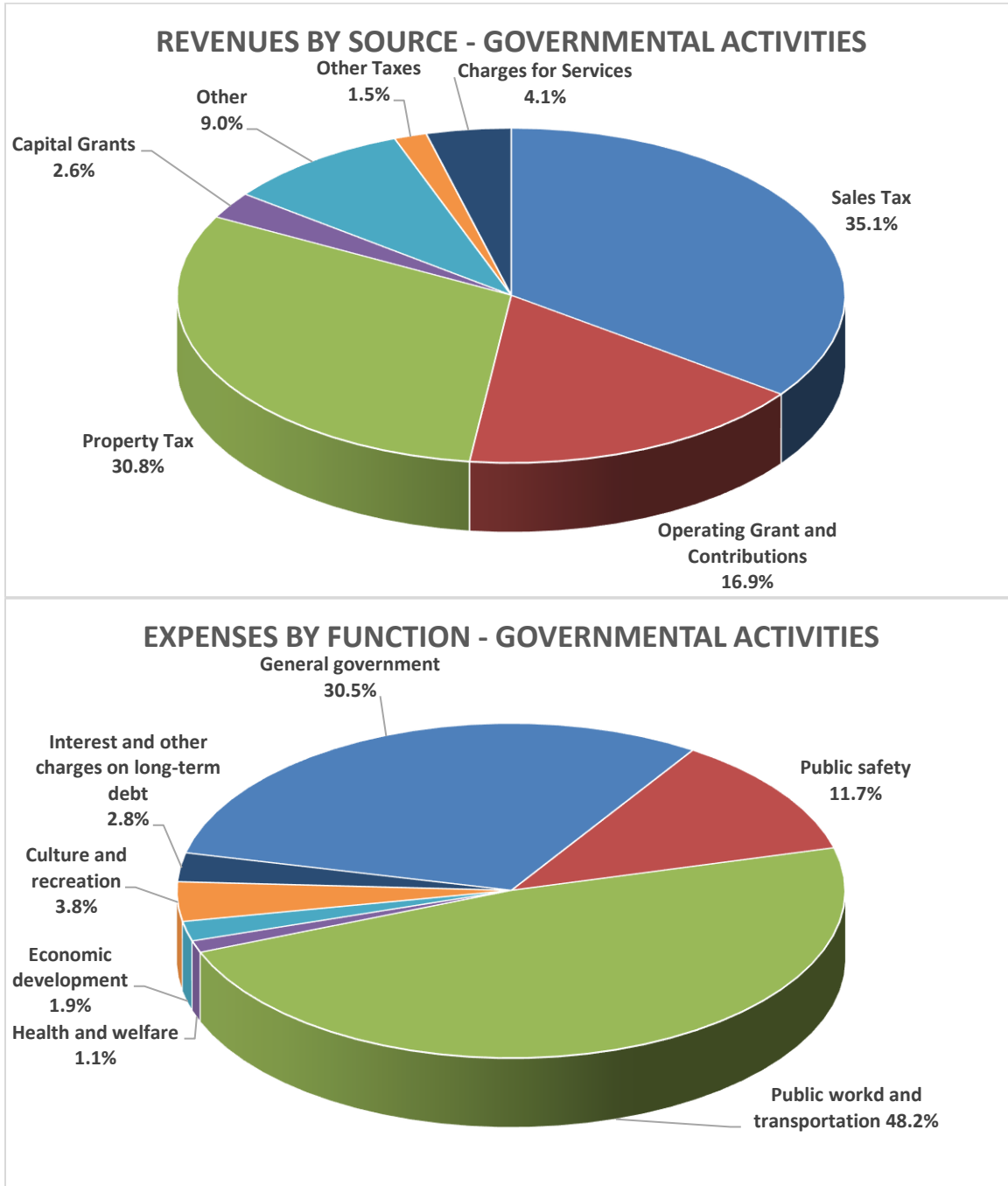
**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

A comparative view of the Parish's total revenues and total expenses for governmental and business-type activities are reflected in the following chart.

	Change in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 3,222	\$ 3,594	\$ 12,827	\$ 15,508	\$ 16,049	\$ 19,102
Operating grants and contributions	13,298	8,883	-	-	13,298	8,883
Capital grants and contributions	2,019	2,130	-	-	2,019	2,130
General revenues						
Property taxes	24,159	26,405	361	378	24,520	26,783
Sales taxes	27,520	24,567	-	-	27,520	24,567
Other taxes	1,234	1,078	-	-	1,234	1,078
Grants and contributions not restricted to specific programs	-	-	67	230	67	230
Other	<u>7,061</u>	<u>4,772</u>	<u>175</u>	<u>310</u>	<u>7,236</u>	<u>5,082</u>
Total revenues	<u>78,513</u>	<u>71,429</u>	<u>13,430</u>	<u>16,426</u>	<u>91,943</u>	<u>87,855</u>
Expenses						
General government	26,742	18,463	-	-	26,742	18,463
Public safety	10,282	10,492	-	-	10,282	10,492
Public works	31,607	30,364	-	-	31,607	30,364
Transportation	10,484	9,010	-	-	10,484	9,010
Health and welfare	999	885	-	-	999	885
Economic development	1,665	1,317	-	-	1,665	1,317
Culture and recreation	3,332	3,602	-	-	3,332	3,602
Interest on long-term debt	2,443	1,406	-	-	2,443	1,406
Solid waste	-	-	3,304	3,590	3,304	3,590
Mosquito abatement	-	-	815	815	815	815
Water	-	-	10,466	10,008	10,466	10,008
Sewer	-	-	8,851	9,333	8,851	9,333
Total expenses	<u>87,554</u>	<u>75,539</u>	<u>23,436</u>	<u>23,746</u>	<u>110,990</u>	<u>99,285</u>
Excess (deficiency) before transfers	(9,041)	(4,110)	(10,006)	(7,320)	(19,047)	(11,430)
Transfers	<u>(5,108)</u>	<u>(5,113)</u>	<u>5,108</u>	<u>5,113</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(14,149)	(9,223)	(4,898)	(2,207)	(19,047)	(11,430)
Net position— beginning	<u>98,545</u>	<u>114,462</u>	<u>109,582</u>	<u>109,604</u>	<u>208,127</u>	<u>224,066</u>
Prior period adjustment	<u>-</u>	<u>(6,694)</u>	<u>-</u>	<u>2,185</u>	<u>-</u>	<u>(4,509)</u>
Net position – beginning, as restated	<u>98,545</u>	<u>107,768</u>	<u>109,582</u>	<u>111,789</u>	<u>208,127</u>	<u>219,557</u>
Net position – ending	<u>\$ 84,396</u>	<u>\$ 98,545</u>	<u>\$ 104,684</u>	<u>\$ 109,582</u>	<u>\$ 189,080</u>	<u>\$ 208,127</u>

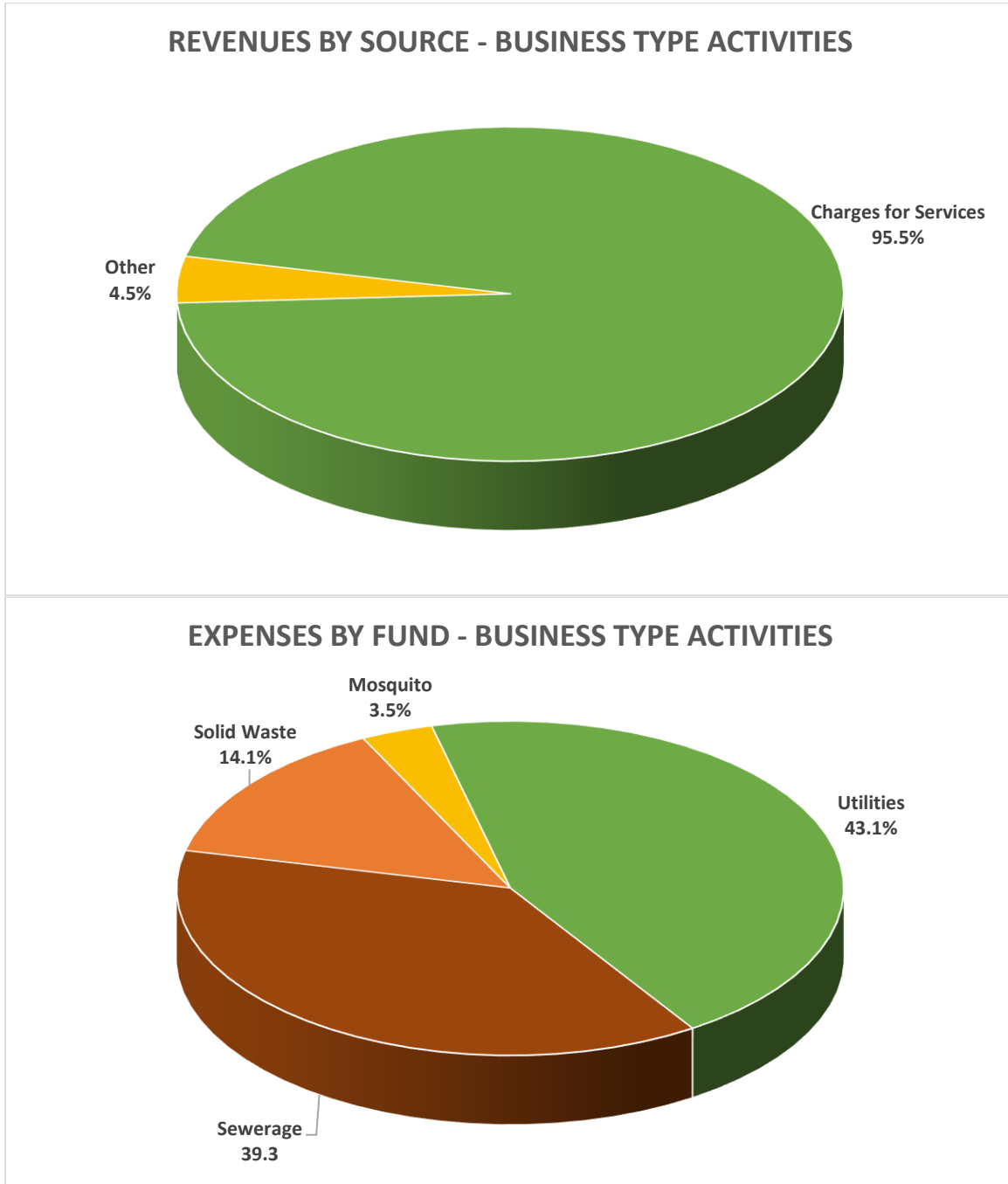
**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2022**

The following charts illustrate the revenues and expense for governmental activities for 2022:



**ST. JOHN THE BAPTIST PARISH COUNCIL
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The Parish's business-type revenues decreased \$3.0 million or 18.2% from the previous year due primarily to a decrease in charges for services. Charges for services and fees accounted for approximately 95.5% of revenues for business-type activities. The following charts illustrate the revenues and expense for business-type activities for 2022:



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For the Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, St. John the Baptist Parish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of St. John the Baptist Parish's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing St. John the Baptist Parish's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, St. John the Baptist Parish's governmental funds reported combined ending fund balances of approximately \$86.2 million, an increase of approximately \$23.5 million in comparison with the prior year. Approximately a negative 19.8% of this total amount (approximately a negative \$17.1 million) constitutes *unassigned fund deficit*. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it has already been reserved to liquidate contracts and purchase orders of the prior period, to pay debt service, or to finance capital projects.

The General Fund is the chief operating fund of St. John the Baptist Parish. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$5.8 million, while total fund balance was approximately \$5.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.5% of total General Fund expenditures, while total fund balance represents 52.5% of that same amount.

The fund balance of St. John the Baptist Parish's General Fund increased by approximately \$2.1 million during the current fiscal year due to changes in federal grant revenue and interfund activity.

The Sales Tax District Fund has a restricted fund balance of approximately \$10.6 million as of December 31, 2022. This represents a decrease of approximately \$1.2 million which is primarily due to interfund activity exceeding sales tax collections.

The Road and Bridges Fund has a restricted fund balance of approximately \$855,000 as of December 31, 2022, as well as nonspendable fund balance of approximately \$70,000. This represents a decrease of approximately \$1.3 million primarily due to transportation and capital outlay expenditures.

The 1992 General Obligation Bonds Sinking Fund has a restricted fund balance of approximately \$15.2 million as of December 31, 2022. This represents increase of approximately \$1.8 million.

The Hurricane Ida Fund has a fund deficit of approximately \$21.8 million as of December 31, 2022. This deficit is due to expenditures relating to the hurricane debris cleanup and disposal exceeding federal grant revenues received in the current year.

The American Recovery Plan Fund has a restricted fund balance of approximately \$47,000 as of December 31, 2022. This represents an increase of approximately \$45,000 due to earnings from investments net of expenditures.

The Levee Protection Fund has a restricted fund balance of approximately \$21.3 million as of December 31, 2022. This represents an increase of approximately \$5.1 million due to decreased costs of canal maintenance.

The 2022 General Obligation Bond Construction Fund has a committed fund balance of approximately \$15.5 million as of December 31, 2022. This represents an increase of approximately \$15.6 million due the issuance of general obligation bonds during the fiscal year.

**ST. JOHN THE BAPTIST PARISH COUNCIL
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For the Year Ended December 31, 2022**

Propriety funds – St. John the Baptist Parish’s propriety funds provide the same type of information found in the government-wide financial statements, but in more detail.

BUDGETARY HIGHLIGHTS

The Parish’s budget is prepared according to Louisiana law. During the course of the year, the Parish revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less, or anticipated expenditures in excess, of budgetary goals by 5% or more. The original budget for the Parish was adopted on December 28, 2021 and the final revised budget was adopted on October 25, 2022.

A statement showing the Parish’s original and final budget compared with actual operating results is provided in the Annual Comprehensive Financial Report beginning on page 94.

A comparison of actual results as of December 31, 2022 and the original budget for the General Fund are as follows:

	<u>Original Budget</u>	<u>Actual</u>	<u>Difference</u>
Total revenues	\$ 6,403,309	\$ 6,135,921	\$ (267,388)
Total expenditures	11,464,121	11,279,824	184,297
Other financing sources	<u>5,077,749</u>	<u>7,277,228</u>	<u>2,199,479</u>
Net change in fund balance	<u>\$ 16,937</u>	<u>\$ 2,133,325</u>	<u>\$ 2,116,388</u>

The variations between the original budget and the final amended budget for the General Fund are as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Difference</u>
Total revenues	\$ 6,403,309	\$ 6,403,309	\$ -
Total expenditures	11,464,121	11,464,121	-
Other financing sources	<u>5,077,749</u>	<u>5,065,649</u>	<u>(12,100)</u>
Net change in fund balance	<u>\$ 16,937</u>	<u>\$ 4,837</u>	<u>\$ (12,100)</u>

**ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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CAPITAL ASSETS AND DEBT ADMINISTRATION

The Parish's investment in capital assets as of December 31, 2022 for its governmental and business-type activities were approximately \$232.5 million, net of depreciation as reflected in the schedule below:

Capital Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,494	\$ 4,494	\$ 1,719	\$ 1,719	\$ 6,213	\$ 6,213
Buildings	42,207	41,570	8,855	9,177	51,062	50,747
Equipment & fixtures	11,857	11,959	3,188	3,080	15,045	15,039
Infrastructure & drainage	36,426	38,781	101,109	104,176	137,535	142,957
Construction in progress	<u>15,794</u>	<u>10,155</u>	<u>6,834</u>	<u>6,972</u>	<u>22,628</u>	<u>17,127</u>
Total	<u>\$ 110,778</u>	<u>\$ 106,959</u>	<u>\$ 121,705</u>	<u>\$ 125,124</u>	<u>\$ 232,483</u>	<u>\$ 232,083</u>

There was an approximately increase of \$3.8 million (3.6%) in governmental activities capital assets, net of depreciation expense, which is due primarily to current year acquisitions and increased construction in progress. The capital assets for business-type activities, net of depreciation expense, decreased approximately \$3.4 million or 2.7% primarily due to a decrease in infrastructure. More detailed information on capital assets is included in Note 5 in the notes to the basic financial statements.

LONG-TERM DEBT

The Parish had approximately \$102 million in long-term debt as shown in the table below:

Outstanding long-term debt
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 50,075	\$ 40,085	\$ -	\$ -	\$ 50,075	\$ 40,085
Public improvement bonds	6,780	7,580	-	-	6,780	7,580
Sales tax & revenue bonds	31,310	1,720	-	-	31,310	1,720
Finance purchase	-	86	-	-	-	86
Lease liability	675	525	593	385	1,268	910
Loans	777	851	7,852	7,180	8,629	8,031
Revenue bonds	-	-	2,000	2,300	2,000	2,300
Discount/Premiums	<u>1,595</u>	<u>710</u>	<u>-</u>	<u>-</u>	<u>1,595</u>	<u>710</u>
Total	<u>\$ 91,212</u>	<u>\$ 51,557</u>	<u>\$ 10,445</u>	<u>\$ 9,865</u>	<u>\$ 101,657</u>	<u>\$ 61,422</u>

The Parish's long-term debt increased by approximately \$40.3 million. This change was due to the 2022 general bond obligation series debt issuance, as well as the issuance of Hurricane Idea revenue bonds during the fiscal year.

More detailed information on long term obligations and debt is included in Note 8 in the notes to the basic financial statements.

**ST. JOHN THE BAPTIST PARISH COUNCIL
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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

According to the Bureau of Labor Statistics, at the end of 2022, St. John the Baptist Parish's unemployment rate was at 3.5% compared to the statewide rate of 3.3% and the nationwide rate of 3.5%.

During the course of the year, the Parish revises its budget to take into consideration significant changes in revenues and expenditures. Louisiana Revised Statute 39:1311 requires that the budget be revised if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more.

The 2023 Budget was adopted by the Parish Council on October 25, 2022 with parishwide revenues of \$129,015 thousand, not including transfers, and parishwide expenditures of \$132,533 thousand, not including transfers. The proposed shortfall will be supported by fund balance. Included in the total expenditures of \$132,533 thousand, capital expenditures are budgeted at \$61,305 thousand.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Parish's finances and to demonstrate the Parish's accountability for the money it receives. If you have questions about this report or need additional information, contact the Parish's Chief Financial Officer at 1811 W. Airline Hwy., LaPlace, LA 70068.

BASIC FINANCIAL STATEMENTS

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The financial statements of the Parish of St. John the Baptist (the “Parish”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Parish’s accounting policies are described below.

A. REPORTING ENTITY

The St. John the Baptist Parish Council (the “Council”) is the governing authority for the Parish of St. John the Baptist, a political subdivision of the State of Louisiana as authorized by the State Constitution. The Council consists of nine members, two of whom are elected from two divisions of the Parish consisting of 50% of the Parish’s population and seven members elected to represent each of the seven districts. The Parish President, elected by the voters of the Parish, is the chief executive officer of the Parish and is responsible for carrying out the policies adopted by the Council and for the administration of all Parish departments, offices, agencies and special districts.

Louisiana Revised Statutes (“LSA-R.S.”), at LSA-R.S. 33:1236, give the Council various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of these are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and its drainage system; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, fees and licensing, state revenue sharing, and various state and federal grants.

The Parish occupies 219 square miles with a population of approximately 43,000. Council offices are located in the Parish office building at 1811 West Airline Highway, LaPlace.

As the governing authority of the Parish, for financial reporting purposes, the St. John the Baptist Parish Council is the reporting entity for St. John the Baptist Parish. Generally accepted accounting principles require the financial statements of the reporting entity to present the primary government (the Council) and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization’s governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability.

In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

A. REPORTING ENTITY (continued)

The component units discussed below are included in the Council's basic financial statements either as a blended component unit or as a discretely presented component unit because of the significance of its operational or financial relationship with the Council.

a. Blended Component Unit

Criminal Court Fund: The Criminal Court Fund accounts for a portion of the annual cost of the courts. The annual revenues are derived from fines, forfeitures, court fees, etc. The Criminal Court Fund is a legally separate entity from the Parish. However, the Criminal Court Fund provides services entirely, or almost entirely, to the Parish. The Criminal Court Fund is governed by the same elected Council that governs the Parish and is therefore included in the Parish's financial report as a blended component unit.

b. Discretely Presented Component Unit

Library: St. John the Baptist Parish Library (the "Library") was established by the Parish governing authority under the provisions of LSA-R.S. 25:211. The Library provides citizens of the parish access to library materials, books, magazines, records and films. The Library is governed by a board of control that is appointed by the Council. The Library is considered to be fiscally dependent on the Council because it cannot levy taxes or issue bonded debt without approval by the Council. The Library is considered to be a financial burden to the Parish, because the Parish issued debt to pay for a new library building, and the Parish pays the insurance premiums on behalf of the Library. These premiums are reimbursed to the Parish from the Library. The Library issues separate financial statements and has a year end of December 31st. Complete financial statements may be obtained directly from the administrative office of St. John the Baptist Parish Library, 1334 West Airline Highway, LaPlace, Louisiana 70068.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Parish considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Those revenues considered susceptible to accrual include sales and use tax revenues, federal and state grants, and certain franchise fees. Sales taxes are recognized when collected by vendors. Interest on time deposits is recorded when earned. Substantially all other revenues are recorded when received.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recorded at the time of transfer. Bank loans are recognized when the loan is authorized. Indirect cost reimbursements are the amounts the General Fund charges to several other funds based on the level of services provided to these funds by the General Fund.

The Parish reports the following major governmental funds:

The *General Fund* is the Parish's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

The *Sales Tax District Fund* accounts for the revenues derived from the 1% sales tax passed by the residents of St. John Parish for capital improvements of infrastructure. The revenue is used to repay the annual principal and interest payments for sewer improvement bonds.

The *Roads and Bridges Fund* accounts for revenues generated from a $\frac{3}{8}\%$ sales tax and some state-generated revenues, such as Parish Transportation and Department of Public Safety fees.

The *1992 General Obligation Bonds Sinking Fund* accounts for the payment of principal and interest on the general obligation debt of the Parish. The general obligation debt is secured by property tax levies.

The *Hurricane Ida Fund* accounts for grant revenues received for disaster recovery efforts related to Hurricane Ida. Revenue is generated from federal grant programs.

The *American Recovery Plan Fund* accounts for grant revenues received from funding to be used to support the local governments and their response to and recovery from the COVID-19 public health emergency.

The *Levee Protection Fund* is used to fund the Parish's portion of a hurricane/flood protection levee which extends 18 miles from the Bonnet Carre Spillway from Montz to Mt. Airy, which includes parish-wide drainage and future maintenance of the levee system. The revenue is based on a 7.00 mill ad valorem tax for flood protection.

The *2022 General Obligation Bond Construction Fund* was created by a 2022 bond issuance for the purpose of funding construction of various capital projects.

The Parish reports the following major proprietary funds:

The *Utilities System Fund* accounts for the annual operations of the water services supplied to the residents of the Parish. Revenue is generated from user fees for services provided.

The *Sewerage Fund* accounts for the annual operation of the Wastewater Department. Revenue is generated from water consumption user charges on the utility bill along with charges for permits. The expenditures are the cost for the annual operations of the wastewater plants along with other costs associated with operations of this department. This department is currently being subsidized with a transfer from the Sales Tax District to meet its annual operating responsibilities.

Amounts reported as *program revenues* include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

Proprietary, or enterprise, funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utilities System, Sewerage, Solid Waste, and Mosquito Abatement Funds are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the government reports the following fiduciary funds:

The *ARC Maintenance Fund* assists in the annual maintenance for the ARC Center. The revenue is generated from a .97 mill Ad Valorem Tax.

The *Senior Citizens Fund* assists in the annual maintenance of the two Council on Aging Centers. The revenue is generated from a .99 mill ad valorem tax.

Fiduciary funds included custodial funds and are used to account for assets held on behalf of outside parties, including other governments.

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

D. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted for the General Fund, Special Revenue, and Enterprise Funds. Budgets for the General and Special Revenue Funds are adopted on the modified accrual basis of accounting. Enterprise Fund budgets are adopted on the accrual basis of accounting. Budgetary data for the Capital Project and Debt Service funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis; however, any transfers to/from Capital Project and Debt Service Funds are included in the adopted budgets of the other funds. These funds are administratively budgeted for management use only.

The level of budgetary control is at the fund/department level and expenditures may not exceed budgeted appropriations. Appropriations which are not expended lapse at year end. Additional details on the budgetary process may be found at Note 2.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary accounting in the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances lapse at year-end, however, it is the Parish's intention to honor these encumbrances under authority provided in the subsequent year's budget. There were no significant encumbrances at December 31, 2022.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. For purposes of the Statement of Cash Flows, the Enterprise Funds consider these same items to be cash.

LSA-R.S. 33:2955 authorizes the Council to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government; (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities; (3) direct security repurchase agreements of any federal book-entry-only securities; (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations; (5) in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies; or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana.

Cash and cash equivalents are stated at cost, which approximates market. LSA-R.S. 39:1225 provides that the amount of the pledged securities shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

H. ADVANCES TO OTHER FUNDS

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources that are expendable.

I. INVENTORY

The cost of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of consumption. Proprietary fund type inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

J. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

K. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by the governing bond covenants. Additionally, customer deposits held by the Utilities System, an Enterprise Fund, are restricted for use in paying outstanding bills to be refunded when customers discontinue service.

L. CAPITAL ASSETS

Capital assets, which include land, buildings and building improvements, vehicles, furniture fixtures and equipment, and infrastructure assets (streets, roads, canals, water and sewer systems, and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Parish as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost, or estimated historical cost if not purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in note 10 below. Donated capital assets are recorded at acquisition value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

L. CAPITAL ASSETS (continued)

Depreciation on all capital assets, excluding land and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life (Years)</u>
Buildings and Building Improvements	40
Infrastructure	20 to 40
Drainage System	25
Office Equipment	5 to 12
Machinery and Equipment	10
Right-to-use Leased Equipment and Vehicles	4 to 6
Vehicles	5
Systems - Water and Sewer	10 to 50

M. COMPENSATED ABSENCES

The Council has the following policies relating to vacation and sick leave:

Employees earn from 5 to 30 days of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year earned and cannot be accumulated. Also, employees earn 6 to 18 days of sick leave per year which can be accumulated and is paid out only in accordance with Parish Ordinance MM-67. Parish Ordinance MM-67 states: "Any employee who has not used more than ten percent (10%) of their annual accrued sick days shall have the option of being paid four (4) to five (5) days after the year end." Upon retirement, all accumulated unused and unpaid sick leave days, from 15 to 90 days based upon years of service, are forwarded to the retirement system for conversion upon application for normal retirement.

The accumulation of sick leave is nominal at December 31, 2022. Therefore, a liability for compensated absences due to employees has not been included in the basic financial statements.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Pension and OPEB liabilities are liquidated from the fund in which the related salaries and benefits are paid.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

N. LONG-TERM OBLIGATIONS (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. NET POSITION

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

P. FUND BALANCE

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Parish 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.

1. Nonspendable - This component includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. 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 Parish to assess, levy, charge 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.
3. Committed - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Parish’s highest level of decision making authority which includes an ordinance of the Parish Council. Those committed amounts cannot be used for any other purpose unless the Parish Council removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

P. FUND BALANCE (continued)

4. Assigned - This component consists of amounts that are constrained by the Parish Council's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. Only the General Fund will report a positive unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the Council's intention to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Council's intention to use committed resources first, then assigned, and then unassigned as they are needed.

Q. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used and reimbursements, are reported as transfers.

For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

R. LEASES

The Parish is a lessee for noncancellable leases of equipment and vehicles. The Parish recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Parish recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Parish initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

R. LEASES (continued)

Key estimates and judgments related to leases include how the Parish determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Parish uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Parish generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Parish is reasonably certain to exercise.

The Parish monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

S. AD VALOREM TAXES

Ad valorem taxes are levied each November 15th on the assessed value listed as of the prior January 1st for all real property located in the Parish. The ad valorem tax is due and becomes an enforceable lien on property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commissions (December 1st). The tax is delinquent thirty days after the due date. The ad valorem tax assessment for fiscal 2022 was formally levied in November 2022 based on property values determined by the Assessor's Office. The tax is billed and collected by the Sheriff's Office.

The following is a summary of authorized and levied ad valorem taxes for 2022:

<u>Parishwide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide	4.09	4.09	Permanent
Courthouse and Jail	1.00	1.00	12/31/25
Library	9.94	9.94	12/31/27
Council on Aging	0.99	0.99	12/31/23
Road Lighting District No.1	3.83	3.83	12/31/31
Mosquito Abatement District	0.48	0.48	12/31/28
Juvenile Detention Center	1.00	1.00	12/31/29
Health Unit	0.96	0.96	12/31/27
Public Buildings ARC Maintenance	0.97	0.97	12/31/22*
Animal Control Facilities	0.75	0.75	04/30/31
General Obligation Bonds	12.50	12.50	03/01/24
Recreation Facilities	2.25	2.25	04/30/31
Flood Protection Levee	7.00	7.00	12/31/46

*The Public Buildings ARC Maintenance millage was renewed on November 8, 2022 and set to expire on 12/31/32.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

T. SALES TAXES

The St. John the Baptist Parish School Board (the “School Board”), a separate entity, collects five percent (5%) in sales and use tax. The sales and use tax is collected by an independent contractor, who is contracted through the School Board and serves as the sales tax department. Two and one-quarter percent (2.25%) of the taxes collected are remitted to the Parish Council. One-half percent (.5%) of the taxes collected are remitted to the St. John the Baptist Parish Sheriff’s Office (the “Sheriff’s Office”). The School Board’s costs of collecting the funds are shared proportionally by the Council, Sheriff’s Office and the School Board.

U. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

V. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows of Resources – 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 represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Parish has several items that meet this criterion, including contributions made to the pension plans, deferrals of pension and OPEB expense, and deferrals related to debt refunding.

Deferred Inflows of Resources – 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 represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Parish has several items that meets the criterion for this category, including deferrals of pension and OPEB expense and advance tax payments received before the year they are assessed.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

W. PENSIONS

The Parish is a participating employer in four defined benefit pension plans as described in Note 10. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. 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 within each plan.

X. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2023. See Note 20 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Y. RECENTLY ISSUED AND IMPLEMENTED ACCOUNTING PRONOUNCEMENTS

The Parish has implemented GASB Statement No. 91, *Conduit Debt Obligations*. The implementation of this statement did not result in any change in the Parish's financial statements. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

The Parish has implemented GASB 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 implementation of this statement did not result in any change in the Parish's financial statements. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of GASB Statement No. 97 provides that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICES** (continued)

Y. RECENTLY ISSUED AND IMPLEMENTED ACCOUNTING PRONOUNCEMENTS (continued)

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

The Parish is evaluating the requirements of the above statement and the impact on reporting.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budget

The procedures used by the Parish in establishing the budgetary data reflected in the required supplementary information are as follows:

- (1) At least sixty (60) days before the beginning of the fiscal year, the President submits a line item operating budget and a capital budget in accordance with accepted accounting procedure in a format established by the Council. The budget submitted shall be balanced. The President submits with the budget a message containing recommendations concerning the fiscal policy of the Parish, a description of the important features of the budget, and an explanation of all major increases or decreases in budget recommendations as compared with expenditures of the prior year.
- (2) The Council publishes the proposed budget in the official journal two (2) weeks before the meeting at which the budget is to be adopted. The budget as adopted constitutes an appropriation of funds for all purposes contained therein. A budget ordinance becomes effective the first day of the fiscal year, unless otherwise provided therein.
- (3) The Council may amend the budgets before adoption except that no items for debt service may be reduced below the amount certified by the President as necessary. In no event should the Council cause the total expenditures to exceed anticipated revenues. If the Council fails to act on either budget within the time limit provided, it shall be adopted as submitted by the President.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Deficit Fund Balances /Net Position

The following funds had a deficit in fund balance at December 31, 2022:

Special Revenue Funds

Hurricane Ida Fund	<u>\$ (21,755,718)</u>
Criminal Court Fund	<u>\$ (553,941)</u>
RESTORE Fund	<u>\$ (19,769)</u>
LASAFE Fund	<u>\$ (77,850)</u>
Hurricane Isaac Fund	<u>\$ (409,175)</u>
Hurricane Isaac CDBG Fund	<u>\$ (40,415)</u>
LCDBG – CV Public Facilities Fund	<u>\$ (22,642)</u>

The deficit fund balance in the identified funds is primarily the result of unrecognized revenues resulting from Federal programs. Replenishment of the deficit in these funds is contingent upon collection of revenues as reimbursement of claimed costs.

- Hurricane IDA Fund - The deficit fund balance is predominantly the result of federal expenditures that were not obligated by grantors at year end and unrecognized revenues from Federal receivables. If federal disaster recovery program disallows the claim receivable for cost recovery, the notes borrowed by the Parish for financing the Hurricane Ida repairs will be reimbursed by FEMA funding. To the extent that FEMA disallows any such claims, the repayment of the note (i.e. deficit in the fund) will be repaid by any revenues from any funds that do not have a prior legal restriction upon them.
- Criminal Court Fund - If additional revenues are not obtained from other external sources, the deficit fund balance will be ultimately absorbed by the General Fund.
- RESTORE Fund, Hurricane Isaac Fund, Hurricane Isaac CDBG Fund, LCDBG – CV Public Facilities Fund, and LASAFE Fund - The deficit fund balances for these funds are predominantly the result of unrecognized revenues resulting from Federal receivables. The deficit in these funds will be resolved when receivables are collected and revenues are recognized. If federal disaster recovery programs disallow the claim receivables for cost recovery, the general fund will need to absorb the deficit.

Expenditures with Unfavorable Appropriations

For the year ended December 31, 2022, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Road and Bridges	\$ 10,784,901	\$ 11,784,138	\$ 999,237
Hurricane Ida	-	44,575,317	44,575,317
Non-major Special Revenue Funds:			
Economic Development	1,457,831	1,513,530	55,699
Fire Services	5,836,265	6,206,834	370,569
LASAFE	889,810	2,393,772	1,503,962
Hurricane Isaac	-	1,103	1,103
LCDBG – CV Public Facilities Fund	-	22,642	22,642

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2022, the Parish had cash and cash equivalents as follows:

Cash and cash equivalents accounts per Statement of Net Position	<u>\$ 80,723,617</u>
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Of the total cash and cash equivalents, shown above, \$76,769,136 is unrestricted and \$3,954,481 is restricted assets. Restricted cash is included with restricted assets on the combined Statement of Net Position. In the proprietary funds, restricted cash equals \$3,954,481 and unrestricted cash equals \$1,085,614 for total cash of \$5,040,095.

Under State law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At year-end, the bank balance of deposits totaled \$83,858,859.

The bank balance is categorized as follows:

Amount insured by the Federal Deposit Insurance Corporation, or collateralized with securities held by the Parish's agent in the Parish's name.	<u>\$ 83,858,859</u>
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Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name.

The Parish does not have an investment policy for custodial credit risk. However, the Parish does not maintain any investments and is, therefore not exposed to custodial credit risk.

Credit Risk of Debt Investments

The Parish does not maintain any debt investments and is, therefore, not exposed to credit risk of debt investments.

Concentration of Credit Risk

The Parish does not maintain any investments and is, therefore, not exposed to concentration of credit risk.

Interest Rate Risk

The Parish does not maintain any investments and is, therefore, not exposed to interest rate risk.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

4. RECEIVABLES

Receivables at December 31, 2022 for the Parish's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities								Total Governmental Activities
	General Fund	Sales Tax District	Roads and Bridges	1992 G.O. Bonds Sinking	Hurricane Ida	American Recovery Plan	Levee Protection	Non-major Funds	
Taxes:									
Ad Valorem	\$ 3,589,156	\$ -	\$ 11,991	\$ 7,966,132	\$ -	\$ -	\$ 4,935,243	\$ 6,175,712	\$ 22,678,234
Sales and Use	11,332	1,805,852	747,921	-	-	-	-	1,745,155	4,310,260
Intergovernmental	-	-	42,112	-	7,957,403	-	-	1,701,262	9,700,777
Accounts Receivable (net)	62,880	-	-	-	-	-	-	193,514	256,394
Other Taxes	37,446	-	2,005	-	1,624,989	-	-	131,727	1,796,167
Total Receivables	\$ 3,700,814	\$ 1,805,852	\$ 804,029	\$ 7,966,132	\$ 9,582,392	\$ -	\$ 4,935,243	\$ 9,947,370	\$ 38,741,832

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

4. RECEIVABLES (continued)

	Business-type Activities				
	Mosquito Abatement	Utilities System	Sewerage	Solid Waste	Total Business- Type Activities
Taxes:					
Ad Valorem	\$ 340,123	\$ -	\$ -	\$ -	\$ 340,123
Accounts Receivable	338,946	5,789,671	3,819,261	2,469,956	12,417,834
Gross Receivables	679,069	5,789,671	3,819,261	2,469,956	12,757,957
Less: Allowance For Estimated Uncollectable	(271,612)	(4,772,420)	(3,180,399)	(2,007,788)	(10,232,219)
Net Receivables	\$ 407,457	\$ 1,017,251	\$ 638,862	\$ 462,168	\$ 2,525,738

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectible receivables at December 31, 2022, consisted of the following:

Governmental Funds:	
Ambulance Fund	\$ 154,799
Total Governmental Funds	<u>\$ 154,799</u>
Enterprise Funds:	
Mosquito Abatement	\$ 271,612
Utilities System	4,772,420
Sewerage	3,180,399
Solid Waste	<u>2,007,788</u>
Total Enterprise Funds	<u>\$ 10,232,219</u>
Total allowance for uncollectible accounts	<u>\$ 10,387,018</u>

Upon further analysis of the Utilities System accounts receivable at December 31, 2022, an allowance was established for all aged account balances. An allowance for estimated uncollectible receivables on the remaining account balances is based on historical collection experience.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

Governmental Activities:

	December 31, 2021	Additions	Reductions	December 31, 2022
Capital assets not being depreciated:				
Land	\$ 4,493,876	\$ -	\$ -	\$ 4,493,876
Construction-in-progress	10,155,563	7,946,873	(2,308,479)	15,793,957
Total capital assets not being depreciated	<u>14,649,439</u>	<u>7,946,873</u>	<u>(2,308,479)</u>	<u>20,287,833</u>
Capital assets being depreciated/amortized:				
Buildings and building improvements	62,643,332	2,558,945	(28,224)	65,174,053
Infrastructure	177,493,008	5,801	-	177,498,809
Drainage system	31,260,961	13,596	-	31,274,557
Furniture, fixtures, and equipment	17,345,348	841,248	-	18,186,596
Right-of-use leased equipment and vehicles	822,700	380,834	(36,400)	1,167,134
Vehicles	13,832,151	524,963	-	14,357,114
Total capital assets being depreciated/ amortized	<u>303,397,500</u>	<u>4,325,387</u>	<u>(64,624)</u>	<u>307,658,263</u>
Less: accumulated depreciation / amortization:				
Buildings and building improvements	21,073,249	1,921,592	(28,224)	22,966,617
Infrastructure	158,316,220	1,298,141	-	159,614,361
Drainage system	11,656,697	1,076,051	-	12,732,748
Furniture, fixtures, and equipment	9,220,822	850,361	-	10,071,183
Right-of-use leased equipment and vehicles	318,403	226,582	(36,400)	508,585
Vehicles	10,502,051	772,348	-	11,274,399
Total accumulated depreciation / amortization	<u>211,087,442</u>	<u>6,145,075</u>	<u>(64,624)</u>	<u>217,167,893</u>
Total capital assets being depreciated / amortized, net	<u>92,310,058</u>	<u>(1,819,688)</u>	<u>-</u>	<u>90,490,370</u>
Total governmental activities capital assets, net	<u>\$106,959,497</u>	<u>\$ 6,127,185</u>	<u>\$ (2,308,479)</u>	<u>\$ 110,778,203</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. **CAPITAL ASSETS** (continued)

Business-type Activities:

	December 31, 2021	Additions	Reductions	December 31, 2022
Capital assets not being depreciated:				
Land	\$ 1,719,347	\$ -	\$ -	\$ 1,719,347
Construction-in-progress	6,972,347	1,788,443	(1,926,645)	6,834,145
Total capital assets not being depreciated	<u>8,691,694</u>	<u>1,788,443</u>	<u>(1,926,645)</u>	<u>8,553,492</u>
Capital assets being depreciated/amortized:				
Buildings and building improvements	14,567,642	77,687	-	14,645,329
Systems – water and sewer	237,626,889	2,304,054	-	239,930,943
Furniture, fixtures, and equipment	5,358,665	-	-	5,358,665
Right-of-use leased equipment and vehicles	556,999	408,607	-	965,606
Vehicles	1,179,854	-	(34,874)	1,144,980
Total capital assets being depreciated/ amortized	<u>259,290,049</u>	<u>2,790,348</u>	<u>(34,874)</u>	<u>262,045,523</u>
Less: accumulated depreciation / amortization:				
Buildings and building improvements	5,391,091	398,950	-	5,790,041
Systems – water and sewer	133,451,247	5,371,675	-	138,822,922
Furniture, fixtures, and equipment	2,825,368	229,275	-	3,054,643
Right-of-use leased equipment and vehicles	182,289	-	-	182,289
Vehicles	1,008,628	61,697	(26,156)	1,044,169
Total accumulated depreciation / amortization	<u>142,858,623</u>	<u>6,061,597</u>	<u>(26,156)</u>	<u>148,894,064</u>
Total capital assets being depreciated / amortized, net	<u>116,431,426</u>	<u>(3,271,249)</u>	<u>(8,718)</u>	<u>113,151,459</u>
Total business-type activities capital assets, net	<u>\$125,123,120</u>	<u>\$ (1,482,806)</u>	<u>\$ (1,935,363)</u>	<u>\$ 121,704,951</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. CAPITAL ASSETS (continued)

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

Governmental activities:

General government	\$ 1,107,533
Public safety	1,122,435
Public works	3,021,171
Culture and recreation	820,229
Economic development	5,460
Health & welfare	<u>68,247</u>
Total	<u>\$ 6,145,075</u>

Business-type activities:

Utilities Operations	\$ 2,918,026
Sewerage Operations	<u>3,143,571</u>
Total	<u>\$ 6,061,597</u>

Construction in progress is comprised of the following:

Expended to
December 31, 2022

Governmental Activities:

Streetscape Project (LaSAFE)	\$ 3,101,976
Eastbank Miss Trail Phase IV	2,601,523
HMGP – Electrical Components	1,600,466
Belle Pointe Sewer Reroute	1,304,618
Carrollwood Drive Rehab	1,263,486
Engineering-Lake Pontchartrain	748,971
WWC Perm Generator	496,959
Lucy Levee Trail	404,686
Vicknair Canal	395,534
RESTORE (Belle Terre Streetscape)	348,225
Theater Building Repairs	321,034
HMGP Bar Screen Cleaners	289,419
Sheriff's Office Disaster	243,031
WB Multi-Purpose Complex	200,846
Other Upgrades	<u>2,473,183</u>
Total Governmental Activities	<u>\$ 15,793,957</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. CAPITAL ASSETS (continued)

Business-type Activities:	
Water Meters	\$ 5,876,375
Waste water consolidation	324,203
Other pumps and maintenance	<u>633,567</u>
Total Business-Type Activities	<u>6,834,145</u>
 TOTAL CONSTRUCTION IN PROGRESS	 <u>\$ 22,628,102</u>

The Parish has committed to spending approximately \$21.5 million to complete the above projects.

6. ACCRUED EXPENSES AND OTHER LIABILITIES

The following is a summary of accrued expenses and other liabilities as of December 31, 2022:

	<u>Class of Payable</u>				<u>Total</u>
	<u>Salaries</u>	<u>Withholdings</u>	<u>Contracts</u>	<u>Other</u>	
General Fund	\$ 119,882	\$ 352,734	\$ -	\$ -	\$ 472,616
Road & Bridges	99,071	149,998	38,051	-	287,120
Hurricane Ida	-	-	130,993	-	130,993
Levee Protection	-	-	60,050	-	60,050
Non-major funds	154,333	-	353,131	1,675	509,139
Utilities	92,470	81,348	284,162	202,129	660,109
Sewerage	<u>96,374</u>	<u>87,744</u>	<u>-</u>	<u>108,046</u>	<u>292,164</u>
Total	<u>\$ 562,130</u>	<u>\$ 671,824</u>	<u>\$ 866,387</u>	<u>\$ 311,850</u>	<u>\$ 2,412,191</u>

7. PAYABLE FROM RESTRICTED ASSETS

A summary of enterprise funds' current liabilities payable from restricted assets by account follows:

Customer deposits	<u>Utilities</u>
Current portion of bonds payable	<u>System</u>
Total	\$ 1,005,564
	<u>769,000</u>
	<u>\$ 1,774,564</u>

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8. LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the Parish for the year ended December 31, 2022:

	<u>Balance</u> <u>January 1, 2022</u>	<u>Issues</u> <u>Additions</u> <u>Adjustments</u>	<u>Payments</u> <u>Expenditures</u> <u>Adjustments</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Bonds -					
Public Offerings	\$ 21,775,000	\$ 15,000,000	\$ (2,535,000)	\$ 34,240,000	\$ 5,585,000
General Obligation Bonds -					
Direct Placements	18,310,000	-	(2,475,000)	15,835,000	2,560,000
Public Improvement					
Bonds	7,580,000	-	(800,000)	6,780,000	835,000
Sales Tax &					
Revenue Bonds	1,720,000	30,000,000	(410,000)	31,310,000	425,000
State Revolving					
Fund Loan	851,000	-	(74,000)	777,000	74,000
Finance Purchase					
Obligation	86,090	-	(86,090)	-	-
Lease Liability	524,577	380,834	(230,568)	674,843	257,385
Premium	<u>710,073</u>	<u>1,011,733</u>	<u>(127,310)</u>	<u>1,594,496</u>	<u>279,913</u>
Total Governmental					
Activities	<u>51,556,740</u>	<u>46,392,567</u>	<u>(6,737,968)</u>	<u>91,211,339</u>	<u>10,016,298</u>
Business-Type Activities					
Revenue Bonds	2,300,000	-	(300,000)	2,000,000	310,000
State Revolving					
Fund Loans	7,179,862	1,115,342	(443,000)	7,852,204	965,446
Lease Liability	<u>384,765</u>	<u>375,735</u>	<u>(167,500)</u>	<u>593,000</u>	<u>184,214</u>
Total Business-type					
Activities	<u>9,864,627</u>	<u>1,491,077</u>	<u>(910,500)</u>	<u>10,445,204</u>	<u>1,459,660</u>
Total Long-Term					
Liabilities	<u>\$ 61,421,367</u>	<u>\$ 47,883,644</u>	<u>\$ (7,648,468)</u>	<u>\$ 101,656,543</u>	<u>\$ 11,475,958</u>

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8. LONG-TERM LIABILITIES (continued)

General Obligation Bonds, Revenue Bonds, and other long-term debt are comprised of the following individual issues:

<u>Bond Type</u>	<u>Date of Issuance</u>	<u>Authorized and Issued</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest to Maturity</u>
Government Activities:						
<u>General Obligation Bonds</u>						
General Obligation Refunding Bonds -						
Series 2014	06/10/14	18,000,000	2.0-3.0	03/01/34	\$ 10,800,000	\$ 2,190,375
General Obligation Bonds						
– Series 2015	08/26/15	12,000,000	2.0-4.0	03/01/35	8,440,000	2,185,781
General Obligation Bonds						
– Series 2022	08/10/22	15,000,000	5.0	03/01/32	<u>15,000,000</u>	<u>2,647,250</u>
Total General Obligation Bonds – Public Offerings					<u>34,240,000</u>	<u>7,023,406</u>
General Obligation Refunding Bonds						
Series 2013	11/13/13	6,050,000	2.25	03/01/24	1,405,000	31,893
Refunding Bonds						
– Series 2016	05/03/16	20,390,000	2.1	03/01/29	<u>14,430,000</u>	<u>1,098,615</u>
Total General Obligation Bonds – Direct Placements					<u>15,835,000</u>	<u>1,130,508</u>
Total General Obligation Bonds					<u>50,075,000</u>	<u>8,153,914</u>
<u>Public Improvement Bonds</u>						
Public Improvement Refunding Bonds,						
Series ST-2020	12/01/20	8,350,000	3.0-4.0	12/01/29	<u>6,780,000</u>	<u>904,850</u>
Total Public Improvement Bonds					<u>6,780,000</u>	<u>904,850</u>
<u>Revenue Bonds and Notes – Direct Placement</u>						
Revenue Bonds Series 2015	07/30/15	3,000,000	2.39	02/01/25	1,310,000	47,561
Hurricane Recovery – Revenue						
Notes Series 2022	01/11/22	30,000,000	1.7	01/01/25	<u>30,000,000</u>	<u>1,275,000</u>
Total Revenue Bonds and Notes – Direct Placement					<u>31,310,000</u>	<u>1,322,561</u>
<u>Loan – Direct Borrowing</u>						
State Revolving Fund Loan	10/19/12	1,359,000	0.95	12/01/32	<u>777,000</u>	<u>19,512</u>
Total Loan – Direct Borrowing					<u>777,000</u>	<u>19,512</u>
Total Governmental					<u>88,942,000</u>	<u>10,400,837</u>
Business-type Activities:						
<u>Revenue Bonds – Direct Placement</u>						
Water Revenue Utility Bonds						
Series 2012	03/20/12	4,870,000	1.2-2.95	12/01/28	<u>2,000,000</u>	<u>207,183</u>
Total Revenue Bonds – Direct Placement					<u>2,000,000</u>	<u>207,183</u>
<u>Loans</u>						
State Revolving Fund Loan	05/16/22	15,000,000	0.95	05/16/42	506,446	6,064
State Revolving Fund Loan	01/16/19	6,000,000	0.95	12/01/39	4,939,868	204,931
State Revolving Fund Loan	09/18/13	5,500,000	3.45	12/01/32	<u>2,405,890</u>	<u>37,052</u>
Total Loans					<u>7,852,204</u>	<u>248,047</u>
Total Business-type					<u>\$ 9,852,204</u>	<u>\$ 455,230</u>

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8. LONG-TERM LIABILITIES (continued)

Annual debt service to maturity on bonds, including interest, are as follows:

Year Ending December 31,	General Obligation Bonds - Public Offerings	General Obligation Bonds - Direct Placements	Public Improvement Bonds	Revenue Bonds - Direct Placement	Loan - Direct Borrowing	Total Governmental Activities	Revenue Bonds - Direct Placement	Loans - Direct Borrowings	Total Business- Type Activities
2023	\$6,894,833	\$2,867,245	\$1,064,750	\$961,230	\$77,496	\$11,865,554	\$367,068	\$1,029,405	\$1,396,473
2024	6,885,582	2,901,487	1,071,350	960,953	78,164	11,897,536	363,543	487,735	851,278
2025	2,835,308	2,197,178	1,086,350	30,710,378	78,826	36,908,040	364,723	493,894	858,617
2026	2,794,507	2,214,653	1,094,350	-	79,484	6,182,994	370,460	502,048	872,508
2027	2,781,807	2,240,762	1,110,250	-	79,138	6,211,957	370,770	510,414	881,184
2028-2032	14,755,119	4,544,183	2,257,800	-	403,404	21,960,506	370,619	2,680,374	3,050,993
2033-2037	4,316,250	-	-	-	-	4,316,250	-	1,611,259	1,611,259
2038-2039	-	-	-	-	-	-	-	785,122	785,122
Total debt service to maturity	<u>\$41,263,406</u>	<u>\$16,965,508</u>	<u>\$7,684,850</u>	<u>\$32,632,561</u>	<u>\$ 796,512</u>	<u>\$99,342,837</u>	<u>\$2,207,183</u>	<u>\$8,100,251</u>	<u>\$10,307,434</u>
Less amounts representing interest:									
2023	\$1,309,833	\$ 307,245	\$229,750	\$536,230	\$3,496	\$2,386,554	\$57,068	\$63,959	\$121,027
2024	1,010,582	251,487	196,350	525,953	3,164	1,987,536	48,543	23,211	71,754
2025	845,308	202,178	161,350	260,378	2,826	1,472,040	39,723	20,152	59,875
2026	774,507	159,653	124,350	-	2,484	1,060,994	30,460	18,862	49,322
2027	701,807	115,762	95,250	-	2,138	914,957	20,770	17,556	38,326
2028-2032	2,175,119	94,183	97,800	-	5,404	2,372,506	10,619	67,778	78,397
2033-2037	206,250	-	-	-	-	206,250	-	33,259	33,259
2038-2039	-	-	-	-	-	-	-	3,270	3,270
Total Interest	<u>7,023,406</u>	<u>1,130,508</u>	<u>904,850</u>	<u>1,322,561</u>	<u>19,512</u>	<u>10,400,837</u>	<u>207,183</u>	<u>248,047</u>	<u>455,230</u>
Total Principal	<u>\$34,240,000</u>	<u>\$15,835,000</u>	<u>\$6,780,000</u>	<u>\$31,310,000</u>	<u>\$777,000</u>	<u>\$88,942,000</u>	<u>\$2,000,000</u>	<u>\$7,852,204</u>	<u>\$9,852,204</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
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8. LONG-TERM LIABILITIES (continued)

General Obligation Bonds are secured by an annual ad valorem tax levy. In accordance with LSA-R.S.39:562, the Council is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of property in the Parish. The statute also states the Parish is restricted from incurring long-term bonded debt in excess of 10 percent of assessed value for any one purpose. The statutory debt limit for the Parish is reported in the Statistical Section of the Parish's Annual Comprehensive Financial Report. The total indebtedness secured by ad valorem taxes totaled \$50,075,000 as of December 31, 2022.

Events of default include principal and interest delinquencies or failure to comply with the performance of any other of the covenants, agreements or conditions. A written notice of the default will be sent to the bondholder and if the failure shall continue for a period of 45 days after written notice is sent, the bondholder shall be entitled to exercise all rights and powers for which provision is made under Louisiana law.

The government-wide financial statements do not include any of the Industrial Revenue Bonds issued by the industrial districts of the Parish. Obligations of the industrial districts are payable solely from the income and revenues derived from the industrial districts. Although the name of the Council appears on the face of the bonds, the Council has not guaranteed payment of those bonds in the event of default by the issuing authority.

All of the outstanding revenue bonds are subject to early redemption provisions.

There are a number of limitations and restrictions contained in the various bond indentures.

Pledged Revenues

The Parish has pledged revenues of 12.5 mills of unlimited ad valorem taxes to secure \$50,075,000 of General Obligation Bonds issued for the purpose of constructing and improving public buildings and infrastructure. This debt service millage has been approved by the voters of the Parish through March 1, 2024. Approximately \$8.4 million of pledged ad valorem revenue was utilized for approximately \$6.0 million in principal and interest payments made in 2022 for General Obligation Bonds.

The Parish has pledged revenues from the proceeds of one percent (1%) sales and use tax collected by the St. John the Baptist Parish School Board, of the total two and one quarter percent (2.25%) remitted to the Parish, for the purposes of constructing, maintaining, and improving the Parishwide Waterworks Treatment and Distribution System. These revenues secure \$8,350,000 in Public Improvement Bonds issued for the purpose of constructing, acquiring, extending and improving the sewers and sewerage disposal facilities of the Parish. This one percent tax levy was approved and rededicated in perpetuity by the voters of the Parish in 2010. Approximately \$11.7 million of this dedicated tax was recognized in 2022, with approximately \$1.1 million utilized for debt service payments made in 2022 for Public Improvement Bonds.

The Parish has pledged revenues from the proceeds of one-quarter percent (0.25%) sales and use tax collected by the St. John the Baptist Parish School Board, of the total two and one quarter percent (2.25%) remitted to the Parish, for the purposes of providing fire protection throughout the Parish. These revenues secure \$3,000,000 in Sales Tax Bonds issued for the purpose of acquiring fire-fighting equipment, lands, and machinery for the Volunteer Fire Departments of the Parish. This one-quarter percent tax levy was approved perpetuity by the voters of the Parish in 1984. Approximately \$6.3 million of this dedicated tax was recognized in 2022, with approximately \$446,000 utilized for debt service payments made in 2022 for Sales Tax Bonds.

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8. LONG-TERM LIABILITIES (continued)

The Parish has pledged revenues for a portion of income and revenues derived by the Parish from the operation of the waterworks system of the Parish. These revenues secure \$2,590,000 in Revenue Bonds issued for the purpose of constructing, maintaining, and improving the waterworks system of the Parish. These bonds mature on December 1, 2028, at which point, the revenues of the waterworks system will no longer be pledged for debt service. Approximately \$6.0 million was recognized as operating revenue for the waterworks system in 2022, with approximately \$365,000 utilized for debt service payments made in 2022 for Revenue Bonds.

In January 2022, the Parish issued \$30,000,000 Hurricane Recovery Revenue Notes, Series 2022 (the Notes). The Notes were issued for the purpose of (a) paying any costs associated with debris removal or the demolition, rehabilitation, repair, reconstruction, renovation, restoration and improvement of the Parish’s facilities resulting from or related to Hurricane Ida, including purchasing any furnishings, fixtures and equipment incidental or necessary in connection therewith, and (b) paying the cost of issuance of the Notes. The Notes are secured and payable from a pledge of all funds or revenue received or to be received by the Parish to the extent legally available for the payment of debt service on the Notes.

9. LEASES

The Parish entered into multiple agreements as lessee for the acquisition and use of equipment and vehicles, including copiers, GPS trackers, and generators. As of December 31, 2022, the value of the lease liabilities were \$674,843 for governmental activities and \$593,000 for business-type activities. The Parish is required to make monthly principal and interest payments totaling \$40,000. The leases have interest rates ranging from 3.24% to 4.8%.

The future principal and interest lease payments as of December 31, 2022, were as follows:

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 257,385	\$ 20,622	\$ 278,007	\$ 184,214	\$ 17,773	\$ 201,987
2024	211,787	11,055	222,842	167,603	10,920	178,523
2025	96,681	5,911	102,592	105,999	5,908	111,907
2026	108,990	2,830	111,820	135,184	2,767	137,951
Totals	\$ 674,843	\$ 40,418	\$ 715,261	\$ 593,000	\$ 37,368	\$ 630,368

10. PENSION PLAN

Substantially all employees of the Parish are members of one of the following statewide retirement systems: Firefighters’ Retirement System of Louisiana (“FRS”), Parochial Employees’ Retirement System of Louisiana (“PERS”), Registrar of Voters Employees’ Retirement System of Louisiana (“RVERS”), or the District Attorneys’ Retirement System (“DARS”). These systems are cost-sharing multiple-employer, defined benefit pension plans administered by separate boards of trustees.

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10. PENSION PLAN (continued)

General Information about the Pension Plans

Plan Descriptions

FRS

The Firefighters' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the system is a condition of employment for any full-time firefighters who earn at least \$375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire protection district of the State of Louisiana, excepting Orleans and Lafayette Parishes, in addition to employees of the FRS. The system provides retirement, disability, and death benefits for its members.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

PERS

Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute ("LRS").

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Parochial System.

RVERS

The Registrar of Voters Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan established in accordance by Act 215 of 1954, under Revised Statute 11:2032 to provide retirement allowances and other benefits for registrars of voters, their deputies, and their permanent employees in each parish of the State of Louisiana.

The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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10. PENSION PLAN (continued)

Plan Descriptions (continued)

DARS

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys, currently \$18,000 per year. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

FRS

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. 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.

Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. Members may retire 1) at any age with 25 years or more of creditable service, or 2) at age 50 with at least 20 years of creditable service.

No person who has attained age 50 or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

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10. PENSION PLAN (continued)

Benefits Provided (continued)

PERS

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with 30 or more years of creditable service.
2. Age 55 with 25 years of creditable service.
3. Age 60 with a minimum of 10 years of creditable service.
4. Age 65 with a minimum of 7 years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's five year final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

RVERS

Any member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013 is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013 that have attained 30 years of creditable service with at least 20 years of creditable service in the System are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of 60 years, who shall have completed 10 or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

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10. PENSION PLAN (continued)

Benefits Provided (continued)

DARS

Members who joined the DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with, less than 23 year of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the DARS after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability Benefits

FRS

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11 :2258(8).

PERS

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3.00% of the member's final average compensation multiplied by his years of service, not to be less than 15, or 3.00% multiplied by years of service assuming continued service to age 60.

ST. JOHN THE BAPTIST PARISH COUNCIL
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NOTES TO FINANCIAL STATEMENTS
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10. PENSION PLAN (continued)

Disability Benefits (continued)

RVERS

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3.00% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3 1/3% of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

DARS

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (3½ % for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Survivor Benefits

FRS

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11 :2256(8) & (C).

PERS

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

RVERS

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five (5) or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age.

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10. PENSION PLAN (continued)

Survivor Benefits (continued)

If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

DARS

Upon the death of a member with less than five (5) years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five (5) or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in DARS.

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

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LAPLACE, LOUISIANA
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10. PENSION PLAN (continued)

Deferred Retirement Option Plan benefits (DROP)

FRS

After completing 20 years of creditable service and age 50, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the system cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the system. No payments may be made from the DROP account until the participant retires.

PERS

Act 338 of 1990 established the DROP for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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10. PENSION PLAN (continued)

Deferred Retirement Option Plan benefits (DROP) (continued)

RVERS

In lieu of terminating employment and accepting a service retirement allowance, any member with 10 or more years of service at age 60, 20 or more years of service at age 55, or 30 or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the 3 years, payments into the plan fund cease and the person resumes active contributing membership in the System.

DARS

In lieu of receiving a service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

ST. JOHN THE BAPTIST PARISH COUNCIL
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10. PENSION PLAN (continued)

Deferred Retirement Option Plan benefits (DROP) (continued)

Prior to January 1, 2009, eligible members could elect to participate in the DROP for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Initial Benefit Option Plan

FRS

Effective June 16, 1999, 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. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments

FRS

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "Xx (A+B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member of retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

PERS

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

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10. PENSION PLAN (continued)

Cost of Living Adjustments (continued)

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (LRS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

RVERS

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.0% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

DARS

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and surviving beneficiaries who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the DA System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Contributions

FRS

Contributions for all members are established by statute at 10.0% for wages above poverty and 8.0% for wages below poverty for the years ending/ended June 30, 2022 and 2021. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, employer contributions are actuarially determined each year. For the year ended June 30, 2022, the employer contributions were 33.75% of covered payroll above poverty and 35.75% of covered payroll below poverty, respectively. For the year ended June 30, 2021, the employer contribution rates were 32.25% of covered payroll above poverty and 34.25% of covered payroll below poverty, respectively. The actual rates differ from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$768,101 for the year ended December 31, 2022.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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10. PENSION PLAN (continued)

Contributions (continued)

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2022, and were excluded from pension expense.

PERS

Contributions for all members are established by statute at 9.50% of compensation for the year ended December 31, 2022. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contributions for all employers are actuarially determined each year. For the years ended December 31, 2021 and December 31, 2020, the employer contribution rates were 12.25% and 7.50%, respectively for Plan A. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$1,215,732 for the year ended December 31, 2022.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2022.

RVERS

Contributions for all members are established by statute at 7.0% of compensation for the years ending/ended June 30, 2022 and 2021. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ended June 30, 2022 and 2021, the employer contribution rates were 18.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish were \$19,357 for the year ended December 31, 2022.

ST. JOHN THE BAPTIST PARISH COUNCIL
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NOTES TO FINANCIAL STATEMENTS
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10. PENSION PLAN (continued)

Contributions (continued)

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2022.

DARS

Contributions for all members are established by statute at 8.0% of compensation for the years ending/ended June 30, 2022 and 2021. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ended June 30, 2022 and 2021, the employer contribution rates were 9.50% and 4.00%, respectively. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the District Attorney were \$3,396 for the year ended December 31, 2022.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2022.

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

At December 31, 2022, the Parish reported a combined liability of \$6,609,437 and an asset of \$7,642,490 for its proportionate share of the Net Pension Liabilities (NPL)/Net Pension Asset (NPA). The NPL for FRS, RVERS, and DARS was measured as of June 30, 2022, and the NPA for PERS was measured as of December 31, 2021. The total pension liability used to calculate the NPL was determined based on an actuarial valuation as of those dates. The Parish's proportion of the NPL was based on a projection of the Parish's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined.

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10. PENSION PLAN (continued)

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

The following table reflects the Parish's proportionate share of the Net Pension Liability/Net Pension Asset for each of the pension plans, the proportion at June 30, 2022 (December 31, 2021 for PERS) and the change compared to the June 30, 2021 (December 31, 2020 for PERS) proportion.

	Net Pension Liability (Asset) at December 31, 2022	Proportion at Measurement Date	Increase (Decrease) to Prior Measurement Date
FRS	\$ 6,372,951	0.903799%	0.022562%
PERS	(7,642,490)	1.622460%	(0.013663%)
RVERS	176,976	0.721750%	0.191370%
DARS	59,510	0.055244%	(0.002429%)
	<u>\$ (1,033,053)</u>		

The following table reflects the Parish's recognized pension expense for the year ended December 31, 2022.

	Pension Expense
FRS	\$ 1,038,259
PERS	(1,324,561)
RVERS	25,578
DARS	17,353
	<u>\$ (243,371)</u>

At December 31, 2022, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>FRS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,090	\$ (300,387)
Changes in assumptions	525,496	-
Net difference between projected and actual earnings on pension plan investments	1,443,641	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	227,738	(43,668)
Employer contributions subsequent to the measurement date	389,378	-
Total FRS	<u>\$ 2,624,343</u>	<u>\$ (344,055)</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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10. PENSION PLAN (continued)

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

<u>PERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 461,748	\$ (553,903)
Changes in assumptions	398,571	-
Net difference between projected and actual earnings on pension plan investments	-	(6,610,623)
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,416	(52,339)
Employer contributions subsequent to the measurement date	1,215,732	-
Total PERS	<u>\$ 2,145,467</u>	<u>\$ (7,216,865)</u>
<u>RVERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,913	\$ (13,226)
Changes in assumptions	14,764	-
Net difference between projected and actual earnings on pension plan investments	61,373	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,344	(235)
Employer contributions subsequent to the measurement date	9,737	-
Total RVERS	<u>\$ 129,131</u>	<u>\$ (13,461)</u>
<u>DARS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,209	\$ (1,862)
Changes in assumptions	12,908	-
Net difference between projected and actual earnings on pension plan investments	17,765	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	278	(1,035)
Employer contributions subsequent to the measurement date	1,698	-
Total DARS	<u>\$ 36,858</u>	<u>\$ (2,897)</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

10. PENSION PLAN (continued)

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

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
FRS	\$ 2,624,343	\$ (344,055)
PERS	2,145,467	(7,216,865)
RVERS	129,131	(13,461)
DARS	36,858	(2,897)
	<u>\$ 4,935,799</u>	<u>\$ (7,577,278)</u>

Deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2023.

The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
FRS	\$ 389,378
PERS	1,215,732
RVERS	9,737
DARS	1,698
	<u>\$ 1,616,545</u>

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 December 31:	FRS	PERS	RVERS	DARS	Total
2023	\$ 437,397	\$ (1,249,169)	\$ 20,974	\$ 9,717	\$ (781,081)
2024	355,326	(2,578,996)	26,323	6,794	(2,190,553)
2025	231,877	(1,750,399)	17,869	5,956	(1,494,697)
2026	821,657	(708,566)	40,767	9,796	163,654
2027	45,160	-	-	-	45,160
2028	(507)	-	-	-	(507)
	<u>\$ 1,890,910</u>	<u>\$ (6,287,130)</u>	<u>\$ 105,933</u>	<u>\$ 32,263</u>	<u>\$ (4,258,024)</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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10. PENSION PLAN (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022 are as follows:

	FRS	PERS
Valuation Date	June 30, 2022	December 31, 2021
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions:		
Expected Remaining Service Lives	7 years, closed period	4 years
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)	6.40%, net of investment expense, including inflation
Inflation Rate	2.500% per annum	2.30% per annum.
Salary Increases	Vary from 14.10% in the first two years of service to 5.20% with 3 or more years of service; includes inflation and merit increases.	4.75%
Cost of Living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.	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 present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees. For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees. For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees. In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.	Termination, disability, and retirement assumptions were projected based on a five-year (2013-2017) experience study on plan data.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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10. PENSION PLAN (continued)

Actuarial Assumptions (continued)

	RVERS	DARS
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions:		
Expected Remaining Service Lives	5 years	5 years
Investment Rate of Return	6.25%, net of investment expense	6.10%, net of investment expense
Inflation Rate	2.30% per annum	2.20% per annum
Salary Increases	5.25%	5.00%
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 present values 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.	Only those previously granted.
Mortality	RP-2010 Public Retirement Plans Mortality Table for general employees multiplied by 120% for males and 120% for females each with full generational projection using the appropriate MP-2019 improvement scale - Employees, Annuitant and Beneficiaries. RP-2010 Public Retirement Plans Mortality Table for general disabled retirees multiplied by 120% for males and 120% for females each with full generational projection using the appropriate MP-2019 improvement scale - Disabled Annuitants.	Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2019) experience study on plan data.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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10. PENSION PLAN (continued)

Actuarial Assumptions (continued)

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

FRS	PERS	RVERS	DARS
<p>The long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2022 and the Curran Actuarial Consulting average study for 2022. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2022.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.69% for the year ended June 30, 2022.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.25% for the year ended June 30, 2022.</p>

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10. PENSION PLAN (continued)

Actuarial Assumptions (continued)

Best estimates of the arithmetic real rates of return for each major asset class included in the PERS' target asset allocation as of December 31, 2021 is summarized in the following table:

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

Best estimates of the arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocations as of June 30, 2022 is summarized in the following table:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	FRS	RVERS	DARS	FRS	RVERS	DARS
U.S. Equity	27.5%	37.5%		5.64%	7.50%	
Non-U.S. Equity	11.5%	20.0%		5.89%	8.50%	
Global Equity	10.0%			5.99%		
Emerging Market Equity	7.0%			7.75%		
U.S. Core Fixed Income	18.0%			0.84%		
U.S. TIPS	3.0%			0.51%		
Emerging Market Debt	5.0%			2.99%		
Global Tactical Asset Allocation				3.14%		
Risk Parity				3.14%		
Private Equity	9.0%			8.99%		
Real Estate	6.0%	10.0%		4.57%	4.50%	
Real Assets	3.0%			4.89%		
Fixed Income			30.19%			2.95%
Equity			57.11%			10.57%
Alternatives		10.0%	12.67%		6.33%	6.00%
Domestic Fixed Income		12.5%			2.50%	
International Fixed Income		10.0%			3.50%	
Cash			0.03%			0.03
Total	100.0%	100.0%	100.0%	54.34%	32.83%	19.55%
Inflation				2.50%	2.50%	2.68%
Expected Arithmetic Nominal Return				56.84%	35.33%	22.23%

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10. PENSION PLAN (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of each of the system's actuary. Based on those assumptions, each of the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension asset for PERS was 6.40% for the year ended December 31, 2021. The discount rate used to measure the total pension liability for FRS was 6.90%, for DARS was 6.10%, and for RVERS was 6.25% for the year ended June 30, 2022.

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate.

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
FRS			
Discount rate	5.90%	6.90%	7.90%
Parish's proportionate share of NPL	\$9,428,073	\$6,372,951	\$3,824,763
PERS			
Discount rate	5.40%	6.40%	7.40%
Parish's proportionate share of NPL	\$1,362,509	(\$7,642,490)	(\$15,185,827)
RVERS			
Discount rate	5.25%	6.25%	7.25%
Parish's proportionate share of NPL	\$286,125	\$176,976	\$84,135
DARS			
Discount rate	5.10%	6.10%	7.10%
Parish's proportionate share of NPL	\$99,803	\$59,510	\$25,711

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10. PENSION PLAN (continued)

Payables to the Pension Plan

At December 31, 2022, the Parish had payables to the pension plans totaling \$583,535 for the December 2022 employee and employer legally required contributions. Outstanding balances will be applied to the Parish's required monthly contribution. The amounts due are included in liabilities under the amounts reported as accounts payable or accrued expenses and other liabilities.

The balance due to each of the pension plans is as follows:

	Payables
FRS	\$ -
PERS	583,535
RVERS	-
DARS	-
	\$ 583,535

11. OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – The Parish provides certain continuing health care and life insurance benefits for its retired employees. The Parish's OPEB Plan is a single-employer defined benefit OPEB plan administered by the Parish. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Council. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is available to retirees based on a blended rate (active and retired). The employer "cost" of the retiree life insurance, but it is based on the blended rate. Life insurance for firefighters' ceases at retirement. Retiree insurance coverage amounts are reduced to 50% at age 70.

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	170
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	247
	417

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11. OTHER POST-EMPLOYMENT BENEFITS (continued)

Total OPEB Liability

The Parish's total OPEB liability of \$29,315,178 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	2.06% annually (Beginning of Year to Determine ADC) 3.72%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for ten years, 4.5% thereafter
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2022.

Changes in the Total OPEB Liability

Balance at December 31, 2021	<u>\$34,853,739</u>
Changes for the year:	
Service cost	624,964
Interest	702,252
Differences between expected and actual experience	2,143,448
Changes in assumptions	(7,481,541)
Benefit payments and net transfers	<u>(1,527,684)</u>
Net changes	<u>(5,538,561)</u>
Balance at December 31, 2022	<u><u>\$29,315,178</u></u>

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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11. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current discount rate:

	1.0% Decrease (2.72%)	Current Discount Rate (3.72%)	1.0% Increase (4.72%)
Total OPEB liability	\$35,428,952	\$29,315,178	\$24,596,128

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Parish, as well as what the Parish’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$25,189,737	\$29,315,178	\$34,708,448

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

For the year ended December 31, 2022, the Parish recognized OPEB expense of \$1,120,172. At December 31, 2022, the Parish 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	\$ 3,068,271	\$ (1,439,662)
Changes in assumptions	4,843,811	(7,321,400)
Total	\$ 7,912,082	\$ (8,761,062)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2023	\$ (207,044)
2024	(207,044)
2025	(318,230)
2026	(674,465)
2027	393,153
Thereafter	164,650
Total	\$ (848,980)

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12. DEFERRED INFLOWS OF RESOURCES

At December 31, 2022, the Parish has deferred inflows of resources as follows:

Governmental Activities	
Federal Grant	\$ 1,120,760
Ad Valorem	183,547
Advance tax payments	<u>2,125,606</u>
Total Governmental Funds	<u>3,429,913</u>
Grant and ad valorem recognized as revenue on the Government-wide in 2022	(1,304,307)
Deferred amounts related to pension liability	5,331,827
Deferred amounts related to OPEB liability	<u>5,790,059</u>
Total Governmental Activities	<u>\$ 13,247,492</u>
Business-Type Activities	
Advance tax payments	\$ 45,289
Deferred amounts related to pension liability	2,245,451
Deferred amounts related to OPEB liability	<u>2,971,003</u>
Total Business-Type Activities	<u>5,261,743</u>
Total Government-wide	<u>\$ 18,509,235</u>

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2022, is as follows:

Payable Funds	Governmental Activities Receivable Funds							Total
	General Fund	Sales Tax District	Roads and Bridges	1992 GO Sinking	Levee Protection	2022 GO Construction	Non-Major	
Governmental Activities								
General Fund	\$ -	\$ -	\$ 239,745	\$ -	\$ -	\$ -	\$ 791,703	\$ 1,031,448
Sales Tax District	64	-	-	-	-	-	-	64
Roads & Bridges	205,151	-	-	-	-	-	329,036	534,187
1992 GO Sinking	64	-	-	-	-	-	-	64
Hurricane Ida	203,405	-	8,246,308	2,000,000	14,500,000	-	53,012	25,002,725
Levee Protection	63	-	-	-	-	-	-	63
2022 GO Construction	401	-	-	-	-	-	-	401
Non-Major	3,096,679	-	410,166	-	-	37,319	170,316	3,714,480
Sub-total	<u>3,505,827</u>	<u>-</u>	<u>8,896,219</u>	<u>2,000,000</u>	<u>14,500,000</u>	<u>37,319</u>	<u>1,344,067</u>	<u>30,283,432</u>
Business-Type Activities								
Utilities	426,909	200,000	55,147	-	-	-	150,593	832,649
Sewerage	609,079	1,629,607	120,039	-	-	-	-	2,358,725
Solid Waste	63	-	-	-	-	-	-	63
Mosquito Abatement	64	-	-	-	-	-	-	64
Sub-total	<u>1,036,115</u>	<u>1,829,607</u>	<u>175,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,593</u>	<u>3,191,501</u>
Total	<u>\$ 4,541,942</u>	<u>\$ 1,829,607</u>	<u>\$ 9,071,405</u>	<u>\$ 2,000,000</u>	<u>\$ 14,500,000</u>	<u>\$ 37,319</u>	<u>\$ 1,494,660</u>	<u>\$ 33,474,933</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
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13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Payable Funds	Business-Type Activities Receivable Funds				Total
	Utilities Fund	Sewerage Fund	Solid Waste	Mosquito Abatement	
Governmental Activities					
General Fund	\$ 382,278	\$ 182,551	\$ -	\$ -	\$ 564,829
Roads & Bridges	172,747	54,077	-	-	226,824
Hurricane Ida	109,289	112,074	-	-	221,363
Non-Major	244,835	35,435	-	-	280,270
Sub-total	909,149	384,137	-	-	1,293,286
Business-Type Activities					
Utilities	-	4,351,344	2,739,602	316,054	7,407,000
Sewerage	788,408	-	-	-	788,408
Solid Waste	413,415	-	-	-	413,415
Mosquito Abatement	57,852	-	-	-	57,852
Sub-total	1,259,675	4,351,344	2,739,602	316,054	8,666,675
Total	\$ 2,168,824	\$ 4,735,481	\$ 2,739,602	\$ 316,054	\$ 9,959,961

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Net Internal Balances</u>
Governmental Activities	\$ 33,474,933	\$ (31,576,718)	\$ 1,898,215
Business-Type Activities	9,959,961	(11,858,176)	(1,898,215)
Total	\$ 43,434,894	\$ (43,434,894)	\$ -

The above due to/from other funds were short-term receivables or payables in the normal course of the Parish's operations. Significant receivables/payables consist of collections of revenues by one fund on behalf of another fund which had not been transferred by year-end.

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13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

A summary of interfund transfers at December 31, 2022, are as follows:

Transfers In:	Governmental Activities Transfers Out:							Total
	General Fund	Sales Tax District	Roads and Bridges	Hurricane Ida	Levee Protection	2022 GO Construction	Non-Major	
Governmental Activities								
General Fund	\$ -	\$ -	\$ 812,744	\$ -	\$ -	\$ -	\$ 5,449,456	\$ 6,262,200
Roads & Bridges	-	4,900,000	-	-	-	-	173,287	5,073,287
Hurricane Ida	-	-	-	-	-	-	1,907,900	1,907,900
2022 GO Construction	-	-	-	-	-	-	254,315	254,315
Non-Major	788,553	1,425,573	62,942	-	-	-	1,118,652	3,395,720
Sub-total	788,553	6,325,573	875,686	-	-	-	8,903,610	16,893,422
Business-Type Activities								
Utilities	-	3,700,000	-	440,269	-	-	-	4,140,269
Sewerage	-	2,700,000	-	70,487	-	-	-	2,770,487
Mosquito Abatement	-	-	-	-	-	-	45,000	45,000
Sub-total	-	6,400,000	-	510,756	-	-	45,000	6,955,756
Total	\$ 788,553	\$ 12,725,573	\$ 875,686	\$ 510,756	\$ -	\$ -	\$ 8,948,610	\$ 23,849,178

Transfers In:	Business-Type Activities Transfers Out:				Total
	Utilities Fund	Sewerage Fund	Solid Waste	Mosquito Abatement	
Governmental Activities					
General Fund	\$ 759,642	\$ 694,031	\$ 57,102	\$ 26,595	\$ 1,537,370
Roads & Bridges	143,437	143,437	-	-	286,874
Non-Major	19,963	3,693	-	-	23,656
Sub-total	923,042	841,161	57,102	26,595	1,847,900
Business-Type Activities					
Utilities	-	266,819	-	-	266,819
Sewerage	268,035	-	-	-	268,035
Sub-total	268,035	266,819	-	-	534,854
Total	\$ 1,191,077	\$ 1,107,980	\$ 57,102	\$ 26,595	\$ 2,382,754

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Activities	\$ 18,741,322	\$ (23,849,178)	\$ (5,107,856)
Business-Type Activities	7,490,610	(2,382,754)	5,107,856
Total	<u>\$ 26,231,932</u>	<u>\$ (26,231,932)</u>	<u>\$ -</u>

ST. JOHN THE BAPTIST PARISH COUNCIL
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13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Transfers are primarily used to move funds from:

- a) The Sales Tax District to other funds in connection with the operations, capital improvements and maintenance of the Parish's road and bridges and sewer district.
- b) The Economic Development Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
- c) To transfer grant funding received to funds in which expenditures were recorded.

All other transfers are also in accordance with budgetary authorizations.

14. CRIMINAL COURT FUND

LSA-R.S. 15:571.11 requires that one-half of any surpluses remaining in the Criminal Court Fund at year-end shall be transmitted to the Parish's General Fund. At December 31, 2022, there was no surplus to transfer to the General Fund.

15. COMMITMENTS AND CONTINGENCIES

Litigation

The Parish is a named defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, assessments, and construction claims. The Parish Attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Parish and to arrive at an estimate, if any, of the amount or range of potential loss to the Parish. As a result of such review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies as defined in GASB Codification C50. All outstanding claims have been categorized as "reasonably possible" or "remote;" therefore, no accrual was required on the Parish's financial statements. Legal counsel's opinion on the ultimate resolution of these matters is that losses incurred by Parish could range from \$0 to approximately \$300,000.

Federally Assisted Programs

The Parish receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and had approximately \$9.7 million in outstanding receivables for these programs as of December 31, 2022. The disbursement of funds generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with 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) and also subject to future audits by the grantor agency. Any disallowed claims or uncollectible receivables resulting from such audits could become a liability of the General Fund or other applicable funds.

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LAPLACE, LOUISIANA
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16. FUND BALANCE

The following illustrates the specific purposes of each classification of fund balance at December 31, 2022 in the financial statements:

Fund Balance	General Fund	Sales Tax District	Road & Bridges	1992 General Obligation Bond Sinking	Hurricane Ida
Nonspendable:					
Prepays	\$ 121,207	\$ -	\$ 70,159	\$ -	\$ -
Total Nonspendable	121,207	-	70,159	-	-
Restricted:					
Debt service	-	-	-	15,181,818	-
Special revenue	-	10,575,753	855,246	-	-
Total Restricted	-	10,575,753	855,246	15,181,818	-
Committed					
Capital projects	-	-	-	-	-
Total Committed	-	-	-	-	-
Unassigned	5,806,012	-	-	-	(21,755,718)
Total	\$ 5,927,219	\$ 10,575,753	\$ 925,405	\$ 15,181,818	\$ (21,755,718)

Fund Balance	American Recovery Plan	Levee Protection	2022 General Obligation Bond Construction	Non-major Governmental Funds	Total
Nonspendable:					
Prepays	\$ -	\$ -	\$ -	\$ 308,370	\$ 499,736
Total Nonspendable	-	-	-	308,370	499,736
Restricted:					
Debt service	-	-	-	1,876,498	17,058,316
Special revenue	47,287	21,286,738	-	27,552,275	60,317,299
Total Restricted	47,287	21,286,738	-	29,428,773	77,375,615
Committed					
Capital projects	-	-	15,508,725	9,869,322	25,378,047
Total Committed	-	-	15,508,725	9,869,322	25,378,047
Unassigned	-	-	-	(1,123,792)	(17,073,498)
Total	\$ 47,287	\$ 21,286,738	\$ 15,508,725	\$ 38,482,673	\$ 86,179,900

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
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17. RISK MANAGEMENT

The Parish is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The more significant insurance coverage includes water and sewerage commercial general liability, workers' compensation, business auto and commercial property. Settlement payments have not exceeded insurance coverage in any of the past three years.

18. TAX ABATEMENTS

Louisiana Economic Development (LED) is a Department of the State of Louisiana and administers many development oriented incentives, including the Industrial Tax Exemption Program (ITEP). Under the ITEP, tax abatements are negotiated for a variety of economic development purposes, including job creation, business relocation, retention, and expansion.

As of December 31, 2022, four industrial companies are currently under the ITEP. The typical term of these agreements are for ten years and provided Ad valorem tax abatement during the year of 2022 in the amount of \$2,114,716.

The LED has not made any commitments as part of the agreements other than to reduce taxes. The Parish is not subject to any tax abatement agreements entered into by other governmental entities other than the LED.

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT

Financial reporting standards require footnote disclosure on discretely presented component units considering both the unit's significance relative to the total discretely presented component units and the nature and significance of the unit's relationship to the primary government (the Parish). As such, the following disclosures are presented.

A. CASH

The Library's carrying amounts (book balances) of all cash totaled \$15,087,074. These deposits are stated at cost, which approximates market. Under state law, the 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 pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2022, the Library had \$15,062,358 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance and \$14,812,358 of pledge securities held by the custodial bank in the name of the fiscal agent bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Library that the fiscal agent has failed to pay deposited funds upon demand.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

B. CAPITAL ASSETS

Capital assets for the component unit at December 31, 2022 are as follows:

	Library
Land	\$ 471,487
Construction in progress	2,088,595
Equipment & furniture	1,056,897
Library books	2,610,170
Buildings	2,530,643
Subtotal	8,757,792
Less: Accumulated Depreciation	(4,334,377)
Total	\$ 4,423,415

C. ACCRUED ANNUAL LEAVE

At December 31, 2022, employees of the Library have accumulated and vested amounts of Employee annual leave benefits, which are computed in accordance with GASB Codification Section C60. This amount is recorded in the Statement of Net Position as a long-term liability, and the calculation is based on the number of hours each employee has earned and credited to their benefit times their individual hourly rate at the end of the year.

D. PENSION PLAN

Substantially all employees of the Library are members of the Parochial Employees' Retirement System of Louisiana ("PERS"). This system is a cost-sharing multiple-employer, defined benefit pension plan administered by a separate board of trustees.

Contributions for all members are established by statute at 9.50% of compensation for the year ended December 31, 2022. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.10% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2022 was 11.50% for Plan A. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Library were \$142,675 for the year ended December 31, 2022.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

D. PENSION PLAN (continued)

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

At December 31, 2022, the Library reported an asset of \$961,597 for its proportionate share of the Net Pension Asset (NPA) of PERS. The net pension asset was measured as of December 31, 2021 and the total pension liability or asset used to calculate the NPA was determined based on an actuarial valuation as of that date. The Library's proportion of the NPA was based on a projection of the Library's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. At December 31, 2021, the Library's proportion was 0.204142%, which was an increase of 0.39316% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Library recognized a pension benefit of \$153,358 plus the Library's amortization of the difference between employer contributions and proportionate share of contributions of \$157,735.

At year end, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>PERS</u>		
Differences between expected and actual experience	\$ 58,098	\$ 69,693
Net difference between projected and actual earnings on pension plan investments	-	831,765
Changes in assumptions	50,149	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,646	14,708
Employer contributions subsequent to the measurement date	142,675	-
<u>Total PERS</u>	<u>\$ 289,568</u>	<u>\$ 916,166</u>

Deferred outflows of resources of \$142,675 related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2023.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

D. PENSION PLAN (continued)

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 December 31,	Amount of Amortization
2023	(149,676)
2024	(316,064)
2025	(214,380)
2026	(89,153)

Sensitivity of the Proportionate Share of the NPA to Changes in the Discount Rate

The following presents the Library's proportionate share of the Net Pension Asset using the discount rate of 6.40%, as well as what the Library's proportionate share of the Net Pension Asset would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
PERS - Library's proportionate share of the net pension asset	\$ 171,434	\$ (961,597)	\$ (1,910,719)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Library recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2022, the Library recognized revenue as a result of support received from non-employer contributing entities of \$16,887.

Pension Plan Fiduciary Net Position

PERS issues publicly available financial reports that include financial statements and required supplementary information for the systems. Detailed information about the system's fiduciary net position is available in the issued financial report. The report may be obtained by visiting the Louisiana Legislative Auditor's website at www.la.gov and searching under the Reports section.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

E. OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – St. John the Baptist Parish Library provides certain continuing health care and life insurance benefits for its retired employees. The St. John the Baptist Parish Library’s OPEB Plan (the “OPEB Plan”) is a single-employer defined benefit OPEB plan administered by the Library. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Library. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007. Retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced by 50% of the original amount at age 70.

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	18
Active employees	26
	44
	44

Total OPEB Liability

The Library’s total OPEB liability is \$3,056,821 as of the measurement date December 31, 2022, the end of the fiscal year.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

E. OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.72% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Medical: 5.5% annually for 5 years, decreasing to 4.14% after 52 years; Dental: 4.0%
Mortality	Pub-2010/2021

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2022.

Changes in the Total OPEB Liability

Balance at December 31, 2021	\$ 2,945,880
<hr/>	
Changes for the year:	
Service cost	144,705
Interest	62,176
Differences between expected and actual experience	624,569
Changes in assumptions	(612,713)
Benefit payments and net transfers	(107,796)
<hr/>	
Net changes	110,941
<hr/>	
Balance at December 31, 2022	\$ 3,056,821

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current discount rate:

	1.0% Decrease (2.72%)	Current Discount Rate (3.72%)	1.0% Increase (4.72%)
Total OPEB liability	\$ 3,472,779	\$ 3,056,821	\$ 2,715,454

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

E. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 2,739,885	\$ 3,056,821	\$ 3,439,121

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

For the year ended December 31, 2022, the Parish recognized OPEB expense of \$296,732. At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 619,045	\$ (408,575)
Changes in assumptions	926,092	(578,803)
Total	\$ 1,545,137	\$ (987,378)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2023	\$ 89,851
2024	89,852
2025	89,852
2026	89,852
2027	89,853
Thereafter	108,499
	\$ 557,759

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

F. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities of the Library at December 31, 2022:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022
Accrued annual leave	\$ 71,839	\$ 84,525	\$ 86,436	\$ 69,928
Total OPEB liability	2,945,881	110,940	-	3,056,821
Total long-term liabilities	\$ 3,017,720	\$ 195,465	\$ 86,436	\$ 3,126,749

G. TAX ABATEMENTS

Louisiana Economic Development (LED) is a Department of the State of Louisiana and administers many development oriented incentives, including the Industrial Tax Exemption Program (ITEP). Under the ITEP, tax abatements are negotiated for a variety of economic development purposes, including job creation, business relocation, retention, and expansion.

As of December 31, 2022, five industrial companies are currently under the ITEP. The typical term of these agreements are for ten years and provided Ad valorem tax abatement during the year of 2022 in the amount of \$48,725.

The LED has not made any commitments as part of the agreements other than to reduce taxes. The Library is not subject to any tax abatement agreements entered into by other governmental entities other than the LED.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19. SELECTED DISCLOSURES FOR DISCRETELY PRESENTED COMPONENT UNIT (continued)

H. COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Library is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Library, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Library or results of activities.

I. RISK MANAGEMENT

The Library is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current year, nor have there been any settlements which have exceeded the insurance coverage maintained for the past three years.

20. SUBSEQUENT EVENTS

In February 2023, the Parish issued \$30,000,000 Hurricane Recovery Revenue Notes, Series 2023 (the Notes). The Notes were issued for the purpose of (a) paying any costs associated with debris removal or the demolition, rehabilitation, repair, reconstruction, renovation, restoration and improvement of the Parish's facilities resulting from or related to Hurricane Ida, including purchasing any furnishings, fixtures and equipment incidental or necessary in connection therewith, and (b) paying the cost of issuance of the Notes.

In February 2023, the Parish was a recipient of Water Sector Program (WSP) funds for approximately \$7.5 million to be used for the construction of water, sewer, and/or storm water infrastructure improvements.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2023, and determined that no other events occurred that require disclosure. Events occurring after this date have not been evaluated for inclusion in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE A - BUDGETARY BASIS OF ACCOUNTING

Budgets for the General Fund and each major Special Revenue Fund are adopted on the modified accrual basis of accounting. Therefore, GAAP serves as the budgetary basis of accounting.

NOTE B – PENSION PLAN CHANGES OF ASSUMPTIONS

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2022.

Changes of Assumptions

Parochial Employees' Retirement System of Louisiana Plan A

Parochial Employees' Retirement System of Louisiana Plan A

There were changes of assumptions for the year ended December 31, 2015:

- The investment rate of return decreased from 7.25% to 7.00%.
- The projected salary increases decreased from 5.75% to 5.25%.
- The inflation rate decreased from 3.00% to 2.50%.

There were no changes of assumptions for the year ended December 31, 2016.

There were changes of assumptions for the year ended December 31, 2017:

- The investment rate of return decreased from 7.00% to 6.75%.

There were changes of assumptions for the year ended December 31, 2018:

- The investment rate of return decreased from 6.75% to 6.50%.
- The projected salary increases decreased from 5.25% to 4.75%.
- The inflation rate decreased from 2.50% to 2.40%.

There were no changes of assumptions for the year ended December 31, 2019.

There were no changes of assumptions for the year ended December 31, 2020.

There were changes of assumptions for the year ended December 31, 2021:

- The investment rate of return decreased from 6.50% to 6.40%.
- The inflation rate decreased from 2.40% to 2.30%.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE B – PENSION PLAN CHANGES OF ASSUMPTIONS (continued)

District Attorneys' Retirement System

There were changes of assumptions for the year ended June 30, 2016:

- The expected remaining service lives were increased from 6 years to 7 years.

There were changes of assumptions for the year ended June 30, 2017:

- The investment rate of return decreased from 7.00% to 6.75%.

There were changes of assumptions for the year ended June 30, 2018:

- The investment rate of return decreased from 6.75% to 6.50%.
- The expected remaining service lives were decreased from 7 years to 6 years.

There were changes of assumptions for the year ended June 30, 2019:

- The investment rate of return decreased from 6.75% to 6.50%.
- The inflation rate decreased from 2.50% to 2.40%.

There were changes of assumptions for the year ended June 30, 2020:

- The investment rate of return decreased from 6.50% to 6.25%.
- The inflation rate decreased from 2.40% to 2.30%.

There were changes of assumptions for the year ended June 30, 2021:

- The investment rate of return decreased from 6.25% to 6.10%.
- The inflation rate decreased from 2.30% to 2.20%.
- The expected remaining service lives were decreased from 6 years to 5 years.

There were no changes of assumptions for the year ended June 30, 2022.

Registrar of Voters Employees' Retirement System of Louisiana

There were changes of assumptions for the year ended June 30, 2015:

- The expected remaining service lives were increased from 4 years to 5 years.

There were no changes of assumptions for the year ended June 30, 2016.

There were changes of assumptions for the year ended June 30, 2017:

- The investment rate of return decreased from 7.00% to 6.75%.

There were changes of assumptions for the year ended June 30, 2018:

- The investment rate of return decreased from 6.75% to 6.50%.
- The inflation rate decreased from 2.50% to 2.40%.

There were no changes of assumptions for the year ended June 30, 2019.

There were changes of assumptions for the year ended June 30, 2020:

- The investment rate of return changed from 6.50% to 6.40%.
- The inflation rate changed from 2.40% to 2.30%.

There were changes of assumptions for the year ended June 30, 2021:

- The investment rate of return changed from 6.40% to 6.25%.

There were no changes of assumptions for the year ended June 30, 2022

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE B – PENSION PLAN CHANGES OF ASSUMPTIONS (continued)

Firefighters' Retirement System of Louisiana

There were changes of assumptions for the year ended June 30, 2015:

- The inflation rate decreased from 3.00% to 2.875%.

There were no changes of assumptions for the year ended June 30, 2016.

There were changes of assumptions for the year ended June 30, 2017:

- The investment rate of return decreased from 7.50% to 7.40%.

There were changes of assumptions for the year ended June 30, 2018:

- The investment rate of return decreased from 7.40% to 7.30%.
- The inflation rate decreased from 2.775% to 2.70%.

There were changes of assumptions for the year ended June 30, 2019:

- The investment rate of return decreased from 7.30% to 7.15%.
- The inflation rate decreased from 2.70% to 2.50%.

There were changes of assumptions for the year ended June 30, 2020:

- The investment rate of return changed from 7.15% to 7.00%.

There were changes of assumptions for the year ended June 30, 2021:

- The investment rate of return changed from 7.00% to 6.90%.

There were changes of assumptions for the year ended June 30, 2022.

NOTE C – OPEB CHANGES OF ASSUMPTIONS

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2022.

Changes of Assumptions

The discount rate as of December 31, 2021 was 2.06% and it changed to 3.72% as of December 31, 2022.

The discount rate as of December 31, 2020 was 2.12% and it changed to 2.06% as of December 31, 2021.

The discount rate as of December 31, 2019 was 2.74% and it changed to 2.12% as of December 31, 2020.

The discount rate as of December 31, 2018 was 4.10% and it changed to 2.74% as of December 31, 2019.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts, or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

Health Unit Tax Fund - The Health Unit Tax Fund accounts for the operation and maintenance of the two health units in the Parish. Revenue is generated from a .96 mill Ad Valorem Tax along with some state revenue sharing. The expenditures include a portion of the annual operation of the health units, as well as the quarterly billing for personal and environmental health services performed in the Parish by the State Department of Health & Hospitals.

Juvenile Detention Center Fund - The Juvenile Detention Center Fund provides for the housing of St. John the Baptist Parish juvenile offenders in juvenile detention facilities in other Parishes. The revenue is generated from a 1.00 mill Ad Valorem Tax. The major expenditure is the housing of juveniles outside St. John the Baptist Parish.

Ambulance Fund - The Ambulance Fund accounts for annual emergency ambulance services for St. John the Baptist Parish. The revenue is generated from a service charge on residents' monthly utility bills. The major expenditure for this fund is the private contract services for parish-wide EMS.

Convention Center Fund - Revenue is generated from a dedicated 2.97% sales tax charged on the hotel/motel occupancy of lodging in St. John the Baptist Parish. The revenue is dedicated to the construction and maintenance of a Civic Center.

Economic Development Fund - The Economic Development Fund accounts for the promotion of economic growth in St. John the Baptist Parish. Revenue is generated from a 3/8% sales tax.

911 Communications District Fund - The Communications District Fund accounts for the annual operation of the emergency 911 facility. Revenue is generated from the monthly 911 surcharge collected by local telephone companies along with interest income.

Civil Defense Fund - The Civil Defense Fund provides the annual operations of the St. John Parish Department of Public Safety. Revenues are generated from an annual grant by Entergy, Inc. as mandated by the Nuclear Regulatory Commission (NRC). In addition, funds are allocated by Economic Development to match grant funding per the sales tax proposition.

Street Lighting Fund - The Street Lighting Fund accounts for the annual operations for parish-wide street lighting. The revenue is generated from 3.83 mills, along with some state revenue sharing funds. The expenditures consist of the cost for lighting public streets, as well as other annual operating expenditures.

Fire Services Fund - The Fire Services Fund was created in May 2003 when the voters of St. John the Baptist Parish passed a .25 cent sales tax for a partially paid fire department. This fund accounts for the cost associated with the paid personnel for the fire departments. In 2015, the Parish combined the four Volunteer Fire Departments into the Fire Services Fund. The revenue of the Fire Departments is generated from a ¼% sales tax for the fire departments along with a 2% fire insurance rebate.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

Criminal Court Fund - The Criminal Court Fund accounts for a portion of the annual cost of the courts. The annual revenues are derived from fines, forfeitures, court fees, etc.

Recreation Fund - The Recreation Fund accounts for recreational expenses of the Parish which consist primarily of maintaining the park grounds and the summer youth programs. The revenue is generated primarily from video poker revenue collected by the State.

RESTORE Fund – This fund is used to account for the grant funds received from the Federal RESTORE program. The expenses for approved projects related to water mitigation will be tracked here. Currently, the Belle Terre Streetwater project is underway.

LA SAFE Fund – This fund is used to account for grant funds received from the Louisiana Office of Community Development for the LA SAFE Airline and Main Complete Streets project. The project is a resilient infrastructure project along Airline Highway between Belle Terre and Main Street in LaPlace.

CDBG Fund – This fund is used to account for the Federal CDBG program. The revenue is generated from Federal grant funds.

Hurricane Isaac Fund - The Hurricane Isaac Fund accounts for grant revenues received for disaster recovery efforts related to Hurricane Isaac. Revenue is generated from federal grant programs.

Hurricane Isaac CDBG Fund – This fund is used to account for the Federal Community Development Block Grant program related to Hurricane Isaac recovery projects. The revenue is generated from Federal grant programs.

LCDBG – CV Public Facilities Fund - This fund is used to account for the LCDBG program. This program is a state grant, the funding of which is to replace the HVAC units in the two Council on Aging buildings.

Animal Shelter Fund – This fund is used to account for the annual operation of the animal shelter facility. The revenue is generated from a .75 mill ad valorem tax.

GOMESA Fund - This fund accounts for the monies received from Phase II of the Gulf of Mexico Energy Security Act of 2006. The funds are to be used for Coastal conservation, restoration, and hurricane protection.

Health and Human Services Fund – This fund is used to account for various grants and other revenues used to provide food, housing and utility assistance to needy residents in the Parish.

DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the Parish's general obligation and special tax bonds.

Parishwide Sewerage Sales Tax Reserve Fund - This fund accounts for the reserving of funds as prescribed by law for any one year's principal and interest payments for sewer bonds.

Parishwide Sewerage Sales Tax Sinking Fund - This fund accounts for the annual payment of principal and interest on sewer bond debt. The Sales Tax District transfers on a monthly basis the funds to cover these payments.

ST. JOHN THE BAPTIST PARISH COUNCIL
LAPLACE, LOUISIANA
FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

WVFD Fire Protection Reserve Fund - This fund accounts for the reserving of funds as prescribed by law for any one year's principal and interest payments for the WVFD sales tax bonds.

WVFD Fire Protection Sinking Fund - This fund accounts for the annual payment of principal and interest on the WVFD sales tax bond debt. The WVFD operating fund transfers on a monthly basis the funds to cover these payments.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources and expenditures in connection with the acquisition, renovation, and improvements of capital facilities other than those financed by proprietary funds.

Bond Series 1990 Parishwide Sewerage Construction Phase II Fund - The fund was created in 1990 to fund sewer capital improvements. After the funds from the bond issues had been extinguished, the fund was kept pursuant to Council Resolution 98-28, which states that any revenues collected from the one-cent sewer sales tax in excess of \$4 million should be escrowed for future use. Funds have been transferred into this fund from the Sales Tax District on an annual basis to complete various sewer improvement projects.

2009 General Obligation Bond Construction Fund - The fund was created by a 2009 bond issuance for the purpose of funding construction of various capital projects.

2010 Sewer Bond Construction Fund - The fund was created by a 2010 bond issuance to fund sewerage capital improvements throughout the Parish.

2014 General Obligation Bond Construction Fund - The fund was created by a 2014 bond issuance to fund sewerage capital improvements throughout the Parish.

2015 General Obligation Bond Construction Fund - The fund was created by a 2015 bond issuance for the purpose of funding construction of various capital projects.