

**NORTH LAFOURCHE CONSERVATION, LEVEE AND
DRAINAGE DISTRICT**

**A COMPONENT UNIT OF THE
STATE OF LOUISIANA**

RACELAND, LOUISIANA
FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2024

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
RACELAND, LOUISIANA

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
North Lafourche Conservation, Levee and Drainage District
State of Louisiana

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Lafourche Conservation, Levee and Drainage District (District), a component unit of the State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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.

Emphasis of Matter

As disclosed in note 7 to the financial statements, the net pension liability for the District was \$1,305,934 as of December 31, 2024, as determined by the Louisiana State Employees' Retirement System (LASERS). Because actual experience may differ from the assumptions used by LASERS, there is a risk that this amount as of December 31, 2024, could be under or overstated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

The schedules of per diem paid to board members and compensation, benefits and other payments to the District Head as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information report is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 North Lafourche Conservation, Levee and Drainage District's internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
June 25, 2025

REQUIRED SUPPLEMENTARY INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024

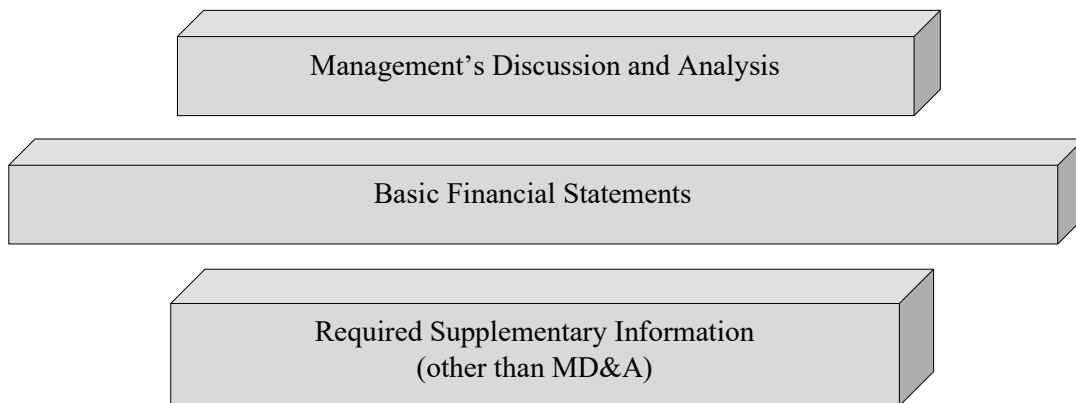
Management's Discussion and Analysis of the North Lafourche Conservation, Levee and Drainage District ("the District")'s financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2024. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$81,536,288 which represents a 8.45% increase from the prior year.
- The District's revenue's totaled \$14,552,354 for the year ended December 31, 2024. These revenues are comprised primarily of ad valorem taxes, sales taxes, and CPRA surplus reimbursements. Sales tax revenues and ad valorem tax revenues remained consistent with amounts reported in the last fiscal year. Capital grant and contribution reimbursements decreased over the prior year due to the effects from Hurricane Ida in the prior year.
- The District's expenses totaled \$8,200,474 for the year ended December 31, 2024. These expenditures are comprised primarily of repairs and maintenance, operating services, and personnel expenses. Expenses increased by \$869,645 from the last fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.



These financial statements consist of three components: Management's Discussion and Analysis, the Basic Financial Statements (including the notes to the financial statements) and Required Supplementary Information. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide financial statements include two statements:

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities and deferred inflows of resources is net position and may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's General Fund, Capital Projects Fund, and Debt Service Fund.

The District uses only one fund type, the governmental fund. The governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the view of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

Notes to the Financial Statements

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

Required Supplementary Information

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The District adopts annual budgets for the general fund. Budgetary comparison statements are provided for the general fund to demonstrate budgetary compliance. Per Diem and Salary Paid to Board of Commissioners, the Schedule of Compensation, Benefits, and Other Payments, in accordance with Louisiana Revised Statute 38:308.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

The following presents condensed financial information on the operations of the District.

	2024	2023	Variance	Percentage Change
Assets				
Current assets	\$ 12,584,293	\$ 14,163,941	\$ (1,579,648)	-11.2%
Capital assets	82,322,442	74,174,156	8,148,286	11.0%
Net Total Assets	<u>94,906,735</u>	<u>88,338,097</u>	<u>6,568,638</u>	7.4%
Deferred outflows of resources	<u>385,813</u>	<u>416,181</u>	<u>(30,368)</u>	-7.3%
Liabilities				
Current liabilities	2,246,126	1,466,320	779,806	53.2%
Noncurrent liabilities	11,258,167	11,982,967	(724,800)	-6.0%
Total Liabilities	<u>13,504,293</u>	<u>13,449,287</u>	<u>55,006</u>	0.4%
Deferred inflows of resources	<u>251,967</u>	<u>120,583</u>	<u>131,384</u>	109.0%
Net Position				
Net investment in capital assets	72,341,731	63,603,999	8,737,732	13.7%
Restricted for capital projects	2,795,004	3,433,855	(638,851)	-18.6%
Restricted for debt service	1,743,678	1,707,002	36,676	2.1%
Unrestricted	<u>4,655,875</u>	<u>6,439,552</u>	<u>(1,783,677)</u>	-27.7%
Total net position	<u>\$ 81,536,288</u>	<u>\$ 75,184,408</u>	<u>\$ 6,351,880</u>	

The schedule is prepared from the District's Statement of Net Position, which is presented on an accrual basis of accounting. Significant changes for 2024 include:

- Current assets decreased by \$1,579,648 over the prior year, mainly from the timing of revenues and capital project expenditures resulting in a decrease in cash from the prior year.
- Net capital assets increased by \$8,148,286 over the prior year, mainly due to the overall additions to capital projects.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024

Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by any related debt. The Restricted net position represents amounts that are externally restricted by the bond covenant to specific purposes, in this case, capital projects and debt service requirements. Unrestricted net position is the portion of net position that has no limitations on how these amounts may be spent.

	2024	2023	Change	Percentage Change
Expenditures/Expenses				
Personnel services and related benefits	\$ 956,418	\$ 888,800	\$ 67,618	7.6%
Professional services	457,919	220,519	237,400	107.7%
Repairs & maintenance	261,539	310,212	(48,673)	-15.7%
Operating services	4,550,303	3,948,155	602,148	15.3%
Debt service payments	364,022	381,198	(17,176)	-4.5%
Depreciation	1,610,273	1,581,945	28,328	1.8%
Total expenditures/expenses	<u>8,200,474</u>	<u>7,330,829</u>	<u>869,645</u>	11.9%
Revenues				
Program revenues				
Capital grants and contributions	5,799,882	7,125,079	(1,325,197)	-18.6%
General revenues				
Ad valorem taxes	4,687,839	4,650,526	37,313	0.8%
Sales taxes	3,841,565	3,758,576	82,989	2.2%
Use of money and property	212,801	225,013	(12,212)	-5.4%
Miscellaneous	10,267	200,000	(189,733)	n/a
Total general revenues	<u>8,752,472</u>	<u>8,834,115</u>	<u>108,090</u>	1.2%
Total revenues	<u>14,552,354</u>	<u>15,959,194</u>	<u>(1,217,107)</u>	-7.6%
Change in net position	6,351,880	8,628,365	(2,086,752)	-24.2%
Net position, beginning	<u>75,184,408</u>	<u>66,556,043</u>	<u>8,628,365</u>	13.0%
Net position, ending	<u>\$ 81,536,288</u>	<u>\$ 75,184,408</u>	<u>\$ 6,541,613</u>	8.7%

The District's total expenditures/expenses increased by \$869,645 from the previous fiscal year. The majority of the increase is related to Operating Services that was up \$602,148 as the general focus has been directed toward levee maintenance.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2024, totaled \$82,322,442. This amount represents a net increase (including additions and disposals, net of depreciation) of \$8,148,286 or 11.0% over the previous fiscal year. More detailed information about the District's capital assets are presented in the notes to the financial statements.

	2024	2023	Variance	Percentage Change
Land	\$ 2,009,532	\$ 2,009,532	\$ -	0.0%
Construction in Progress	14,484,919	8,358,355	6,126,564	73.3%
Infrastructure	64,114,314	61,954,011	2,160,303	3.5%
Building & Improvements	883,779	934,685	(50,906)	-5.4%
Machinery & Equipment	794,616	877,546	(82,930)	-9.5%
Office Equipment/Furniture	35,282	40,027	(4,745)	-11.9%
Total	<u>\$ 82,322,442</u>	<u>\$ 74,174,156</u>	<u>\$ 8,148,286</u>	

LONG-TERM LIABILITIES

The District's long-term liabilities at December 31, 2024 totaled \$11,258,167. This amount represents a net decrease of \$724,800 over the previous fiscal year. The primary reasons for the decrease are the principal payment made on the bonds payable and a decrease in the net pension liability.

Long-Term Liabilities at Year-End

	2024	2023	Variance	Percentage Change
Compensated Absences Payable	\$ 43,867	\$ 40,636	\$ 3,231	8.0%
Bonds Payable	9,375,711	9,990,157	(614,446)	-6.2%
Net Pension Liability	1,305,934	1,508,320	(202,386)	-13.4%
OPEB Payable	532,655	443,854	88,801	20.0%
Total	<u>\$ 11,258,167</u>	<u>\$ 11,982,967</u>	<u>\$ (724,800)</u>	

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Ad valorem taxes
- Sales tax revenue
- Capital grants and contributions
- Projects under construction

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Dwayne Bourgeois, Executive Director, Post Office Box 309, Thibodaux, Louisiana 70302.

BASIC FINANCIAL STATEMENTS

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds	Adjustments (Statement B)	Statement of Net Position
ASSETS						
Cash	\$ 2,668,760	\$ 2,504,253	\$ 1,743,678	\$ 6,916,691	\$ -	\$ 6,916,691
Accounts receivable	4,986,379	680,155	-	5,666,534	-	5,666,534
Other assets	1,068	-	-	1,068	-	1,068
Capital assets, net of accumulated depreciation	-	-	-	-	82,322,442	82,322,442
TOTAL ASSETS	<u>7,656,207</u>	<u>3,184,408</u>	<u>1,743,678</u>	<u>12,584,293</u>	<u>82,322,442</u>	<u>94,906,735</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	-	-	-	-	150,911	150,911
Deferred outflows related to OPEB	-	-	-	-	234,902	234,902
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,813</u>	<u>385,813</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,656,207</u>	<u>\$ 3,184,408</u>	<u>\$ 1,743,678</u>	<u>\$ 12,584,293</u>		
LIABILITIES						
Accounts payable and accruals	\$ 1,251,722	\$ 389,404	\$ -	\$ 1,641,126	\$ -	\$ 1,641,126
Compensated absence payable	-	-	-	-	43,867	43,867
Bonds payable due within one year	-	-	-	-	605,000	605,000
Bonds payable due after one year	-	-	-	-	9,375,711	9,375,711
Net pension obligation	-	-	-	-	1,305,934	1,305,934
OPEB payable	-	-	-	-	532,655	532,655
TOTAL LIABILITIES	<u>1,251,722</u>	<u>389,404</u>	<u>-</u>	<u>1,641,126</u>	<u>11,863,167</u>	<u>13,504,293</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to ad valorem taxes	185,840	-	-	185,840	(185,840)	-
Deferred inflows related to pensions	-	-	-	-	156,913	156,913
Deferred inflows related to OPEB	-	-	-	-	95,054	95,054
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>185,840</u>	<u>-</u>	<u>-</u>	<u>185,840</u>	<u>66,127</u>	<u>251,967</u>
FUND BALANCE/NET POSITION						
Restricted for Capital Projects	-	2,795,004	-	2,795,004	(2,795,004)	-
Restricted for Debt Service	-	-	1,743,678	1,743,678	(1,743,678)	-
Committed	6,218,645	-	-	6,218,645	(6,218,645)	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>6,218,645</u>	<u>2,795,004</u>	<u>1,743,678</u>	<u>10,757,327</u>	<u>(10,757,327)</u>	<u>-</u>
TOTAL LIABILITIES, TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 7,656,207</u>	<u>\$ 3,184,408</u>	<u>\$ 1,743,678</u>	<u>\$ 12,584,293</u>		
Net investment in capital assets					72,341,731	72,341,731
Restricted for capital projects					2,795,004	2,795,004
Restricted for debt service					1,743,678	1,743,678
Unrestricted					4,655,875	4,655,875
TOTAL NET POSITION					<u>\$ 81,536,288</u>	<u>\$ 81,536,288</u>

The accompanying notes are an integral part of this financial statement

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION**
AS OF DECEMBER 31, 2024

Total Fund Balances for Governmental Funds (Statement A)		\$ 10,757,327
Total Net Position reported or governmental activities in the statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:		
Government capital assets	94,731,890	
Less: accumulated depreciation	<u>(12,409,448)</u>	
		82,322,442
Deferred outflows of resources used in governmental activities are not financial resources, and, therefore, are not reported in governmental funds:		
Net deferred outflows related to pensions	150,911	
net deferred outflows related to OPEB	<u>234,902</u>	
		385,813
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities:		
Compensated absences payable	(43,867)	
Bonds payable	(9,980,711)	
Net pension liability	(1,305,934)	
Other postemployment benefit payable	<u>(532,655)</u>	
		(11,863,167)
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:		
Net deferred inflows related to ad valorem taxes	185,840	
Net deferred inflows related to pensions	(156,913)	
Net deferred inflows related to OPEB	<u>(95,054)</u>	
		<u>(66,127)</u>
Net Position of Governmental Activities (Statement A)		<u><u>\$ 81,536,288</u></u>

The accompanying notes are an integral part of this financial statement

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds	Adjustments (Statement D)	Statement of Activities
EXPENDITURES/EXPENSES						
Personnel services and related benefits	\$ 905,020	\$ -	\$ -	\$ 905,020	\$ 51,398	\$ 956,418
Professional services	457,919	-	-	457,919	-	457,919
Repairs and maintenance	261,539	-	-	261,539	-	261,539
Operating services	4,515,051	35,252	-	4,550,303	-	4,550,303
Debt service payments:						
Principal payments	-	-	580,000	580,000	(580,000)	-
Interest payments	-	-	373,468	373,468	(9,446)	364,022
Capital outlay	9,758,559	-	-	9,758,559	(9,758,559)	-
Depreciation	-	-	-	-	1,610,273	1,610,273
Total Expenditure/Expenses	<u>15,898,088</u>	<u>35,252</u>	<u>953,468</u>	<u>16,886,808</u>	<u>(8,686,334)</u>	<u>8,200,474</u>
PROGRAM REVENUES						
Capital grants and contributions	<u>5,799,882</u>	<u>-</u>	<u>-</u>	<u>5,799,882</u>		<u>5,799,882</u>
NET PROGRAM EXPENSES						<u>2,400,592</u>
GENERAL REVENUES						
Ad valorem taxes	4,651,172	-	-	4,651,172	36,667	4,687,839
Sales taxes	-	3,841,565	-	3,841,565	-	3,841,565
Use of money and property	153,768	38,024	21,009	212,801	-	212,801
Miscellaneous	<u>10,267</u>	<u>-</u>	<u>-</u>	<u>10,267</u>	<u>-</u>	<u>10,267</u>
Total General Revenues	<u>4,815,207</u>	<u>3,879,589</u>	<u>21,009</u>	<u>8,715,805</u>	<u>36,667</u>	<u>8,752,472</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,282,999)	3,844,337	(932,459)	(2,371,121)	8,723,001	6,351,880
OTHER FINANCING SOURCES						
Transfer in (out)	<u>3,514,053</u>	<u>(4,483,188)</u>	<u>969,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>3,514,053</u>	<u>(4,483,188)</u>	<u>969,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) of REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,768,946)	(638,851)	36,676	(2,371,121)	2,371,121	-
CHANGE IN NET POSITION	-	-	-	-	6,351,880	6,351,880
FUND BALANCE/NET POSITION						
Beginning of Year	<u>7,987,591</u>	<u>3,433,855</u>	<u>1,707,002</u>	<u>13,128,448</u>	<u>62,055,960</u>	<u>75,184,408</u>
End of Year	<u>\$ 6,218,645</u>	<u>\$ 2,795,004</u>	<u>\$ 1,743,678</u>	<u>\$ 10,757,327</u>	<u>\$ 70,778,961</u>	<u>\$ 81,536,288</u>

The accompanying notes are an integral part of this financial statement

STATEMENT D

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balance - Governmental Fund (Statement C) \$ (2,371,121)

Amounts reported for governmental activities in the statement of activities
are difference because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of those assets are allocated over their
estimated useful lives and reported as depreciation expense:

Capital Outlay	9,758,559	
Less: Accumulated Depreciation	<u>(1,610,273)</u>	
		8,148,286

Revenues that are considered available to provide current financial
resources to governmental funds; however, in the statement of activities,
revenues that are considered available are reported. This is the
difference between prior year and current year revenues that were not
considered available:

Current year deferred inflows	185,840	
Prior year deferred inflows	<u>(149,173)</u>	
		36,667

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal consumes the
current financial resources of governmental funds. Neither transaction,
however, has an effect on net position. Also, governmental funds report
the effect of premiums and discounts when debt is first issues, whereas
these amounts are deferred and amortized in the statement of activities:

Principal payments	580,000	
Amortization of bond premium	<u>9,446</u>	
		589,446

Some expenses such as compensated absences payable, net pension
liability and other postemployment benefit payable that are reported in
the statement of activities do not require the use of current financial
resources and, therefore, are not reported as expenditures in
governmental funds.

Change in Net Position of Governmental Activities (Statement C)	<u>\$</u>	<u>6,351,880</u>
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The accompanying notes are an integral part of this financial statement

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

INTRODUCTION

North Lafourche Conservation, Levee and Drainage District (“the District”), a component unit of the State of Louisiana, was created under the provision of Louisiana Revised Statute (R.S.) 38:291(T). The District is domiciled in the Town of Raceland, Louisiana, and is responsible for improving flood protection and drainage from the Intracoastal Waterway in Larose to the northern edge of Lafourche Parish. The District is managed by a board of commissioners composed of eleven members who are appointed by the Governor of the State of Louisiana.

Commissioners, as authorized by R.S. 38:308, receive a per diem from attending meetings or conducting board-approved business not to exceed \$75 per day.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

GASB No. 14, The Financial Reporting Entity, GASB No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB State No. 14, and GASB No. 61, The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34 established the criterion for determining which component units should be considered part of the District for financial reporting purposes.

The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

Because the State of Louisiana, via the Governor, appoints all of the members of the District’s governing board and has the ability to impose its will on the District, the District was determined to be a component unit of the State of Louisiana. The accompanying general-purpose financial statements contain information only as to the transactions of the North Lafourche Conservation, Levee and Drainage District. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation: Government-Wide and Fund Financial Statements

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

The Governmental Fund Balance Sheet/Statement of Net Position is presented on a consolidated basis; however, the governmental funds include only current financial resources available to pay for current-period expenditures and liabilities payable in the current period. Noncurrent resources and liabilities (e.g., capital assets, net pension obligations, bonds payable, other post-employment benefits payable, and compensated absences payable) are not reported in the governmental funds.

The Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities is presented on a consolidated basis. Expenses on long-term obligations do not require the use of current financial resources and are not reported as expenditures in the governmental funds. In addition, the cost of capital outlays is allocated over their estimated useful lives as depreciation expense. The amount of capital outlays not meeting the capitalization threshold is reported as an expense.

Policies specific to the government-wide statements are as follows:

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

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

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category, governmental. The category, in turn, is divided into separate “fund types.”

Governmental funds account for all or most of the District’s general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations.

The District reports the following governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for and report all financial resources except those that are required to be accounted for and reported for in another fund. The General Fund is always a major fund.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted to expenditure for capital outlays. The District used the Capital Projects Fund to account for activity associated with the sales tax collections and the Series 2017 Sales Tax Bonds. The proceeds of the bonds are restricted to the expenditures associated with the construction and improvement of levee, drainage, and flood protection projects. The Capital Projects Fund is a major fund.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for debt principal and interest costs. The Debt Service Fund is reported as a major fund.

D. Measurement Focus and Basis of Accounting

The accompanying government-wide financial statements are reported using an economic resource measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. In the Statement of Activities, long-term debt is reported, and capital assets are reported and depreciated.

The fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible of accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related liability is incurred. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principal and interest paid on long-term debt is reported as current expenses.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the District adopts an annual budget. The Budget is prepared based on the prior year's revenues and expenditures and the estimated increase therein for the current year. The Board must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis.

The Budget is prepared on the modified accrual basis of accounting, where certain transactions are recorded on a basis other than GAAP. The basic differences arise through the accounting for budgetary purposes, which differs from the basis of accounting applicable to the fund type when reporting on the operations in accordance with GAAP.

Budgetary practices include public notice of the proposed Budget, public inspection of the proposed Budget, and a public hearing on the Budget prior to adoption. All budgeted amounts which are not expended or obligated through contracts lapse at year-end.

F. Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owed by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

G. Capital Assets

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

Buildings/improvements	15-40 years
Infrastructure	20-50 years
Machinery/equipment	3-15 years
Furniture/office equipment	3-10 years

H. Compensated Absences

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation. Upon separation of employment (classified personnel) or their heirs are compensated for accumulated annual leave not to exceed 300 hours. Act 343 of 1993 allows members of LASERS, upon application for retirement, the option of receiving an actuarially - determined lump sum payment for annual and sick leave which would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits for LASERS.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Estimates

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

J. Fund Balance – Governmental Funds

Fund Financial Statements: The North Lafourche Conservation, Levee and Drainage District elected to implement GASB 34, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, fund balance for the governmental funds are classified as follows:

- a) *Non-spendable* – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b) *Restricted* – amounts that can be spent only for purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by ordinances or resolutions approved by the Board of the District.
- c) *Committed* – amounts that can be used only for specific purposes determined by formal action of the Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of the District.
- d) *Assigned* – amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted or committed.
- e) *Unassigned* – all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. When components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by unassigned fund balance.

K. Ad Valorem Taxes

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Net Position

Government-wide Statement: Equity is classified as net position and comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a) *Investment in capital assets* consists of the District's total investment in capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to these assets.
- b) *Restricted net position* reflects the portion of net position with limitations imposed on its use by external parties such as creditors, grantors, or laws or regulations of other governments. Restricted net position for the District represents amounts that are restricted by the bond covenant for capital project purposes and debt service requirements.
- c) *Unrestricted net position* is the balance of all other elements in the Statement of Net Position remaining after net investment in capital assets and restricted net position. Unrestricted net position is used for transactions relating to the general operations of the District and may be used at its discretion to meet current expenses and for any purpose.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until then.

N. Pension Plan

The District is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Other Post-Employment Benefits (OPEB)

The District applies the provisions of GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This pronouncement requires the District to calculate and recognize a net other postemployment benefit (OPEB) liability or asset at year-end. See Note 8 for further details.

P. Recent Accounting Pronouncements

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increased the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB Statement No. 87 does not have a material impact on the District's financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2024, the District had cash (book balance) of \$6,916,691 in demand deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the District or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. The District does not have a custodial credit risk policy.

At December 31, 2024, the District had \$6,959,077 in deposits (collective bank balances), which are secured from risk by federal deposit insurance plus pledged securities in the amount of \$10,122,513.

NOTE 3 – ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2024:

Ad valorem taxes	\$ 4,423,070
Sales taxes	680,155
Due from other governmental agencies	551,898
Other miscellaneous	<u>11,411</u>
Total accounts receivable	<u>\$ 5,666,534</u>

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2024, is as follows:

	Balance December 31, 2023	Additions	Retirements and Transfers	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 2,009,532	\$ -	\$ -	\$ 2,009,532
Construction in progress	8,358,355	12,499,281	(6,372,717)	14,484,919
Total capital assets not being depreciated	<u>10,367,887</u>	<u>12,499,281</u>	<u>(6,372,717)</u>	<u>16,494,451</u>
Capital assets being depreciated:				
Infrastructure	71,710,857	3,624,726	-	75,335,583
Building & improvements	1,165,818	-	-	1,165,818
Machinery & equipment	1,594,035	1,944	-	1,595,979
Office equipment/furniture	134,734	5,325	-	140,059
Total capital assets being depreciated	<u>74,605,444</u>	<u>3,631,995</u>	<u>-</u>	<u>78,237,439</u>
Less: accumulated depreciation				
Infrastructure	(9,756,846)	(1,464,423)	-	(11,221,269)
Building & improvements	(231,134)	(50,905)	-	(282,039)
Machinery & equipment	(716,489)	(84,874)	-	(801,363)
Office equipment/furniture	(94,706)	(10,071)	-	(104,777)
Total accumulated depreciation	<u>(10,799,175)</u>	<u>(1,610,273)</u>	<u>-</u>	<u>(12,409,448)</u>
Capital assets, net	<u>\$ 74,174,156</u>	<u>\$ 14,521,003</u>	<u>\$ (6,372,717)</u>	<u>\$ 82,322,442</u>

Depreciation expense for the year ended December 31, 2024 was \$1,610,273.

NOTE 5 – ACCOUNTS PAYABLE

The following is a summary of accounts payable and accruals at December 31, 2024:

Vendors	\$ 1,075,002
Due to other governments	152,496
Salaries and related benefits	24,224
Retainage payable	389,404
Total Payables	<u>\$ 1,641,126</u>

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 – BONDS PAYABLE

In March 2017, the District issued Series 2017 Sales Tax Bonds maturing in 2037 in the amount of \$13,620,000 for the purpose of constructing and improving levee, drainage and flood protection projects, including the acquisition of equipment and paying the costs of issuance of the bonds. The bonds, issued for a premium, carry interest rates ranging from 2% to 4%.

The bonds are payable solely from and secured by an irrevocable pledge and dedication of the District's one-fourth of one percent (0.25%) sales and use tax now being levied and collected by the District. Total sales tax available in the fiscal year 2024 was \$3,841,565. The total principal and interest remaining on the bonds is \$9,865,000 and \$2,571,930, respectively. Interest in the amount of \$373,468 was paid during the fiscal year ending December 31, 2024.

The annual requirements to amortize the bonds outstanding at December 31, 2024 are as follows:

	Principal	Interest	Total
2025	605,000	352,669	957,669
2026	630,000	327,969	957,969
2027	655,000	302,269	957,269
2028-2031	2,850,000	976,144	3,826,144
2032-2036	4,185,000	594,666	4,779,666
2037	940,000	18,213	958,213
Sub-total	\$ 9,865,000	\$ 2,571,930	\$ 12,436,930
Unamortized Premium	115,711	-	115,711
Total	<u>\$ 9,980,711</u>	<u>\$ 2,571,930</u>	<u>\$ 12,552,641</u>

NOTE 7 – PENSIONS

Louisiana State Employees' Retirement System

Plan Description

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

Benefits Provided

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

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the Governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

Deferred Retirement Benefits

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

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

Disability Benefits

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

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

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

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 – PENSIONS (CONTINUED)

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (LA R.S. 11:401) and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers.

The rates in effect during the year ended December 31, 2024 for the various plans follows:

PLAN	PLAN STATUS	EMPLOYER CONTRIBUTION RATE
Regular Employees hired before 7/1/2006	Closed	41.30%
Regular Employees hired on or after 7/1/2006	Closed	41.30%
Regular Employees hired on or after 1/1/2011	Closed	41.30%
Regular Employees hired on or after 7/1/2015	Open	41.30%

The District's contractually required composite contribution rate for the year ended December 31, 2024 was 41.30% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$210,027 for the year ended December 31, 2024.

Legislative Acts Income

Legislative Acts Contributions may include appropriations by the State Legislature to cover unfunded accrued pension liabilities.

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

At December 31, 2024, the Employer reported a liability of \$1,305,934 for its proportionate share of the collective Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.02401%, which was an increase of .00148% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the District recognized total pension benefit of \$66,618, which consisted of the District's portion of net change in the Net Pension Liability, net change in deferred outflows and inflows of resources, actual contributions to the Plan, and the net effect of the District's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

At December 31, 2024, the District 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>
Differences between expected and actual experience	\$ -	\$ 5,776
Changes of assumptions	9,129	-
Net difference between projected and actual earnings on pension plan investments	-	155,705
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,532	(4,568)
Employer contributions subsequent to the measurement date	<u>92,250</u>	<u>-</u>
Total	<u>\$ 150,911</u>	<u>\$ 156,913</u>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS net pension liability (NPL) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	
2025	\$ (93,633)
2026	40,230
2027	(60,011)
2028	(38,938)

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum, net of investment expenses*
Inflation Rate	2.40% per annum
Mortality	<p>Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
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STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.15% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

Expected Long-Term Real Rates of Return	
Cash	0.76%
Domestic equity	4.29%
International equity	5.22%
Domestic fixed income	2.04%
International fixed income	5.24%
Alternative investments	8.19%
Total Fund	5.61%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 the Systems' actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projections future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Net Pension Liability of the participating employers calculated using the discount rate of 7.25%, as well as what the Employer's 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	1.0% Increase
	(6.25%)	Rate	(8.25%)
Employer's			
Proportionate Share of			
Net Pension Liability	\$ 1,803,460	\$ 1,305,934	\$ 883,151

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 – PENSIONS (CONTINUED)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At December 31, 2024, the District did not have a payable to LASERS for the December 31, 2024 employee and employer legally required contributions.

NOTE 8 – EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information about the Pension Plan

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

Plan Description and Benefits Provided

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined benefit, multiple-employer other postemployment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System,) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2021. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 – EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees' subject to maximum values. Employers pay approximately 50% of monthly premiums for individuals. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At December 31, 2024, the District reported a liability of \$532,655 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2024 and was determined by an actuarial valuation as of that date.

The District's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At December 31, 2024 the District's proportion was 0.0068% and the change in proportion from the prior measurement date was 0.0006%.

Actuarial assumptions and other inputs. The total collective OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial methods, assumptions, and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Cost Method – Entry Age Normal, level percent of pay
- Estimated Remaining Service Lives – 4.50 years
- Inflation rate – Consumer Price Index (CPI) 2.40%
- Salary increase rate – consistent with the state's pension plan
- Discount rate – 3.93% based on Bond Buyer 20 Index Rate.
- Mortality rates assumptions were based on the PubG-2010 Employee Table, adjusted 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.
- Healthcare cost trend rates – 8.50% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2024, to an ultimate rate of 4.5% in 2034; 7.5% for post-Medicare eligible employees grading down by .25% each year, beginning in 2025, to an ultimate rate of 4.5% in 2034 and thereafter.

Changes of the assumptions and other inputs reflect a change in the discount rate from 4.13% as of July 1, 2023 to 3.93% as of July 1, 2024.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 – EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The following presents the District's proportionate share of the total collective OPEB liability using the current discount rate as well as what the District's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1.0% Decrease (2.93%)	Current Discount Rate (3.93%)	1.0% Increase (4.93%)
Proportionate Share of Total Collective OPEB Liability	\$ 629,114	\$ 532,655	\$ 456,823

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

The following presents the District's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates, as well as what the District's proportionate share of the total collective OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current rates:

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
Proportionate Share of Total Collective OPEB Liability	\$ 453,929	\$ 532,655	\$ 633,899

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

For the year ended December 31, 2024, the District recognized OPEB expense of \$116,785. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,129	\$ -
Changes of assumptions or other inputs	39,621	61,164
Changes in employer's proportionate share	186,152	-
Differences between benefit payments and proportionate share of benefit payments	-	33,890
Total	\$ 234,902	\$ 95,054

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 – EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Deferred outflows of resources related to OPEB resulting from the District's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2025	\$ 74,871
2026	41,944
2027	15,830
2028	7,203
	<u>\$ 139,848</u>

NOTE 9 – COMPENSATED ABSENCES

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. However, unused sick leave is not paid upon termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

In the government-wide financial statements, the net change in accumulated annual leave liability is recorded as an expense and the total a long-term obligation. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

At December 31, 2024, employees of the District have accumulated and vested annual leave of \$43,867. The balance was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

NOTE 10 – LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions for the entity for the year ended December 31, 2024:

	<u>December 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2024</u>	<u>Within One Year</u>
Bonds Payable	\$ 10,570,157	\$ -	\$ (589,446)	\$ 9,980,711	\$ 605,000
Compensated Absences	40,636	33,614	(30,383)	43,867	-
Net Pension Liability	1,508,320	-	(202,386)	1,305,934	-
OPEB Liability	443,854	88,801	-	532,655	-
Total	<u>\$ 12,562,967</u>	<u>\$ 122,415</u>	<u>\$ (822,215)</u>	<u>\$ 11,863,167</u>	<u>\$ 605,000</u>

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 – CLAIMS AND LITIGATION

The District is involved in a legal claim arising in the ordinary course of operations. In the opinion of management and the legal defense, an award is deemed to be less than likely and would not materially affect the financial statements of the District. Therefore, no loss contingency has been accrued.

NOTE 12 – COMMITMENTS

The District is involved in numerous construction and engineering contracts relating to capital projects and other operational engineering consulting. As of December 31, 2024, the District's committed fund balance is \$6,218,645 of which there are thirty-five commitments.

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage on each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated events through June 25, 2025, which is the date through which the financial statements were available to be issued. The Board is not aware of any subsequent events which would require recognition of disclosure in the financial statements.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 – AD VALOREM TAX REVENUE

Article 6, Section 39 of the Louisiana Constitution of 1974 provides that, for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the levee district may annually levy a tax not to exceed five (5) mills. If the levee district needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of currently adopted must be approved by the majority of the vote of the electors. On two occasions, the voters approved propositions allowing (7) seven mills effective for the current fiscal year. On October 14, 2017 an election was held and passed, allowing a lower tax levy of six (6) mills for a period of thirty years, beginning in 2020.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1.

In accordance with modified accrual accounting, ad valorem tax revenues are recognized and recorded when they are both measurable and available. Revenues are deemed available when they can finance the current expenditures paid within 60 days. For the years ended December 31, 2024 and 2023, Ad valorem tax revenues totaled \$4,687,839 and \$4,650,526, respectively.

REQUIRED SUPPLEMENTARY INFORMATION (PART B)

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT 1

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	7,437,000	7,881,381	8,492,737	611,356
Capital grants and contributions	11,729,710	5,736,764	5,799,882	63,118
Surface lease rentals	12,000	46,424	48,980	2,556
Interest income	25,000	156,532	163,821	7,289
Other	-	10,267	10,267	-
Total revenues	<u>19,203,710</u>	<u>13,831,368</u>	<u>14,515,687</u>	<u>684,319</u>
EXPENDITURES				
General Government				
Personnel services and related benefits	1,091,804	1,070,750	905,020	(165,730)
Travel	53,025	23,025	26,602	3,577
Professional services	684,851	657,647	457,919	(199,728)
Repairs and maintenance	207,375	245,900	261,539	15,639
Operating services	688,202	611,471	4,523,700	3,912,229
Debt service payments				
Principal payments	580,000	580,000	580,000	-
Interest payments	373,469	373,469	373,469	-
Capital outlay and levee maintenance	<u>23,662,627</u>	<u>12,739,944</u>	<u>9,758,559</u>	<u>(2,981,385)</u>
Total expenditures	<u>27,341,353</u>	<u>16,302,206</u>	<u>16,886,808</u>	<u>584,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,137,643)</u>	<u>(2,470,838)</u>	<u>(2,371,121)</u>	<u>99,717</u>
FUND BALANCE				
BEGINNING OF YEAR	<u>13,128,448</u>	<u>13,128,448</u>	<u>13,128,448</u>	<u>-</u>
END OF YEAR	<u>4,990,805</u>	<u>10,657,610</u>	<u>10,757,327</u>	<u>99,717</u>

See independent auditor's report and accompanying note to the required supplemental information.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE TOTAL COLLECTIVE OPEB LIABILITY
FOR THE YEARS ENDED DECEMBER 31,

STATEMENT 2

Fiscal Year End*	Employer's Portion of the total collective OPEB liability	Employer's proportionate share of the total collective OPEB liability	Employer's covered- employee payroll	Employer's proportionate share of the total collective liability as a percentage of the covered-employee payroll
Louisiana State Employees' Retirement System				
2016	0.0006%	\$ 55,577	\$ 146,000	38.07%
2017	0.0006%	\$ 53,235	\$ 270,960	19.65%
2018	0.0008%	\$ 69,241	\$ 346,606	19.98%
2019	0.0009%	\$ 66,696	\$ 363,793	18.33%
2020	0.0010%	\$ 81,642	\$ 435,296	18.76%
2021	0.0013%	\$ 119,454	\$ 454,379	26.29%
2022	0.0061%	\$ 409,361	\$ 381,517	107.30%
2023	0.0062%	\$ 443,854	\$ 436,420	101.70%
2024	0.0068%	\$ 532,655	\$ 478,333	111.36%

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

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE NINE YEARS ENDED DECEMBER 31,

STATEMENT 3

Year*	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	Employer's covered- employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employee's Retirement System					
2015	0.01383%	\$ 940,853	\$ 245,678	383%	62.7%
2016	0.01439%	\$ 1,129,668	\$ 256,683	440%	57.7%
2017	0.01858%	\$ 1,307,463	\$ 302,565	432%	62.5%
2018	0.01840%	\$ 1,254,935	\$ 345,983	363%	64.3%
2019	0.02171%	\$ 1,572,581	\$ 431,753	364%	62.9%
2020	0.02131%	\$ 1,762,066	\$ 446,850	394%	58.0%
2021	0.02211%	\$ 1,217,039	\$ 467,362	260%	72.8%
2022	0.02300%	\$ 1,738,967	\$ 489,312	355%	63.7%
2023	0.02253%	\$ 1,508,320	\$ 510,867	295%	68.4%
2024	0.02401%	\$ 1,305,934	\$ 578,271	226%	74.6%

The amounts presented were determined as of the measurement date of (June 30).

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

For Reference Only:

Employee Covered - Employee Payroll as reported to LASERS during the measurement periods presented.
Refer to LASERS CAFR for the years presented.

See independent auditor's report and accompanying note to the required supplemental information.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION
FOR THE NINE YEARS ENDED DECEMBER 31,

STATEMENT 4

Year*	(a) Contractually Required Contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution Deficiency (Excess)	Employer's covered employee payroll	Contributions as a % of covered employee payroll
Louisiana State Employee's Retirement System					
2015	\$ 93,229	\$ 93,209	\$ 20	\$ 251,281	37.1%
2016	\$ 96,602	\$ 96,602	\$ -	\$ 264,788	36.5%
2017	\$ 124,781	\$ 124,781	\$ -	\$ 338,486	36.9%
2018	\$ 134,232	\$ 133,287	\$ 945	\$ 342,080	39.2%
2019	\$ 158,825	\$ 158,707	\$ 118	\$ 431,753	36.8%
2020	\$ 179,187	\$ 179,283	\$ (96)	\$ 446,850	40.1%
2021	\$ 184,608	\$ 184,403	\$ 205	\$ 467,362	39.5%
2022	\$ 197,682	\$ 198,599	\$ (917)	\$ 489,312	40.4%
2023	\$ 211,216	\$ 208,689	\$ 2,527	\$ 510,867	41.3%
2024	\$ 200,891	\$ 210,027	\$ (9,136)	\$ 578,271	34.7%

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2024

NOTE 1 – BUDGETARY COMPARISON SCHEDULE – GENERAL

While the District reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Budgetary Comparison Schedule presented as RSI is presented on the budgetary basis to provide a meaningful comparison of actual results with the Budget. The budgetary basis has been reconciled to the GAAP basis for the General Fund for the year ended December 31, 2024.

NOTE 2 – OPEB SCHEDULE

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

Change of Benefit Terms

There were no changes in benefit terms for the valuation dates presented.

Changes of Assumptions

For the July 1, 2024 valuation, the discount rate changed from 4.13% to 3.93%. Baseline per capita costs (PCCs) were updated to reflect 2024 claims and enrollment. The Medicare trend was further adjusted to reflect the impact of certain provisions of the Inflation Reduction Act (“IRA”). Medical plan election percentages were updated based on coverage elections of recent retirees.

For the July 1, 2023 valuation, the discount rate changed from 4.09% to 4.13%. Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment. Medical plan election percentages were updated based on coverage elections of recent retirees. The mortality, retirement, termination, disability, and salary increase rates for the Teachers’ Retirement System of Louisiana (TRSL), Louisiana State Employees’ Retirement System (LSERS), and the Louisiana State Police Retirement System (LSPRS) groups were updated. The healthcare cost trend was updated.

For the July 1, 2022 valuation, the discount rate changed from 2.18% to 4.09%. Baseline per capita costs (PCCs) were updated to reflect 2022 claims and enrollment. Medical plan election percentages were updated based on coverage elections of recent retirees.

For the July 1, 2021 valuation, the discount rate changed from 2.66% to 2.18%. Baseline per capita costs (PCCs) were updated to reflect 2021 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2022 premiums. 2021 medical claims and enrollment experience were reviewed but not included in the projection of expected 2022 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the LSERS and the TRSL.

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

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

For the July 1, 2018 valuation, the discount rate changed from 3.13% to 2.98%. Baseline per capita costs (PCCs) were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums. Demographic assumptions were revised for the LSPRS and TRSL to reflect recent experience studies. The mortality assumption for LSERS was updated from the 2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employees tables for males and females using projection scale MP-2018.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2024

NOTE 3 – PENSION PLAN SCHEDULES

Change of Benefit Terms

For the valuation year ended June 30, 2017, there was a 1.5% cost of living increase effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session and added benefits for members of the Harbor Police Retirement System, which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

For the valuation year ended June 30, 2016, there was a 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and, improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

There were no changes in benefit terms during any other years presented.

Changes of Assumptions

For the valuation year ended June 30, 2024, the investment rate of return remained at 7.25%. The inflation rate was also increased from 2.3% to 2.4%.

For the valuation year ended June 30, 2023, changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the pension plan.

For the valuation year ended June 30, 2022, the investment rate of return was decreased from 7.60% to 7.25%. The inflation rate was also decreased from 2.5% to 2.3%.

For the valuation year ended June 30, 2021, the investment rate of return was increased from 7.55% to 7.60%. The inflation rate was also increased from 2.3% to 2.5%.

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

During the year ended June 30, 2019, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. The adjusted ranges of its salary increase assumptions from 3.4% - 14.5% to 3.4% - 14.3%.

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

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

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

OTHER SUPPLEMENTAL INFORMATION

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF PER DIEM PAID BOARD MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2024

Commissioners	2024
Timothy Allen	\$ 825
Louis Andolsek	675
* Monique Crochet	-
Rodney Foret	975
* Percy Gasery	-
Tory Hebert	975
* Cory Kief	-
Darcy Kiffe	900
Adley Peltier	675
Elmo Jay Pitre	900
Robert Bob Pitre	525
	<u>\$ 6,450</u>

*These Commissioners decline per diem payments.

The schedule of compensation paid board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per Diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal services expenses. Board members are paid \$75 per day to a maximum of 36 days per year for board meeting and/or official business. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem.

See independent auditor's report.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2024

AGENCY HEAD: Dwayne Bourgeois, Executive Director

Purpose	Amount
Salary	\$ 215,000
Benefits - Insurance	23,826
Benefits - Retirement	86,306
Deferred compensation	-
Car allowance	12,000
Cell phone	681
Dues	-
Registration fees	2,417
Conference travel	7,259
	<hr/>
Total	\$ 347,489
	<hr/>

See independent auditor's report.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor / Pass Through Grantor / Program Title	CPRA Project No.	Federal CFDA number	Total federal expenditures
U.S. Department of Interior			
Bureau of Ocean Energy Management			
<i>Gulf of Mexico Energy Security Act (GOMESA)</i>		15.435	
Pass-Through from Coastal Protection Restoration Authority (CPRA)			
Hollywood Canal Backwater Flood Protection Project	TE-0147		\$ 27,096
Ludevine Pump Station Project	BA-0248		2,146,164
Total U.S. Department of Interior			<u>\$ 2,173,260</u>
U.S. Department of Homeland Security			
<i>FEMA</i>		97.036	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	n/a		\$ 155,637
Total U.S. Department of Homeland Security			<u>\$ 155,637</u>
Total Federal Expenditures			<u><u>\$ 2,328,897</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity of the District under programs of the federal government for the year ended December 31, 2024. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principle, and Audit Requirements for Federal Awards (Uniform Guidance). Because SEFA presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.
- 2) The District has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

The District did not pass-through any of its federal awards to a subrecipient during the fiscal year.

NOTE 4 – FINDINGS OF NONCOMPLIANCE

There were no Federal award findings or questioned costs reported during the audit for the year ended December 31, 2024.

See independent auditor's report.

OTHER REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Broussard & Company
Certified Public Accountants

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

Board of Commissioners
North Lafourche Conservation,
Levee and Drainage District
Raceland, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of North Lafourche Conservation, Levee and Drainage District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 25, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Broussard and Company

Lake Charles, Louisiana
June 25, 2025





Broussard & Company
Certified Public Accountants

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

To the Board of Commissioners
North Lafourche Conservation, Levee and Drainage District
State of Louisiana
Raceland, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the North Lafourche Conservation, Levee and Drainage District's, ("the District"), a component unit of the State of Louisiana, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Broussard and Company

Lake Charles, Louisiana
June 25, 2025

**STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of North Lafourche Conservation, Levee and Drainage District were prepared in accordance with GAAP.
2. No material weaknesses or significant deficiencies are reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of North Lafourche Conservation, Levee and Drainage District are reported.
4. No material weaknesses or significant deficiencies in internal control over major federal award programs are reported.
5. The auditor's report on compliance for the major federal award program for North Lafourche Conservation, Levee and Drainage District expresses an unmodified opinion on the major federal award program.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program was: CFDA #15.435 – Gulf of Mexico Energy Security Act (GOMESA)
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. North Lafourche Conservation, Levee and Drainage District was determined to be a low-risk auditee.