

LAFITTE AREA INDEPENDENT LEVEE DISTRICT

A COMPONENT UNIT OF THE  
STATE OF LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

## TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 8
<b><u>Basic Financial Statements:</u></b>	
Governmental Fund Balance Sheet/Statement of Net Position	9
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	10
Notes to the Financial Statements	11 - 22
<b><u>Required Supplementary Information:</u></b>	
Schedule of the District's Proportionate Share of the Net Pension Liability	23
Schedule of the District's Contributions	24
<b><u>Supplementary Information:</u></b>	
Annual Fiscal Report (AFR)	25 - 29
<b><u>Other Reports Required by <i>Government Auditing Standards</i>:</u></b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 - 31
Schedule of Findings and Questioned Costs	32
Summary Schedule of Prior Year Findings	33



## Independent Auditor's Report

Lafitte Area Independent Levee District  
State of Louisiana  
Lafitte, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Lafitte Area Independent Levee District ("District"), a component unit of the state of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the general fund of the District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As disclosed in Note 8 to the financial statements, the June 30, 2018 net position was decreased by \$635,263 to correct an error made in a prior year. Our opinion is not modified with respect to this matter.

### Other Matters

#### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Annual Fiscal Report (AFR) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy.

The Annual Fiscal Report (AFR) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 procedures generally accepted in the United States of America. In our opinion, the other information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Hienz and Macaluso, LLC***

Metairie, Louisiana

August 21, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS  
LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019

The purpose of this section is to offer Management's Discussion and Analysis of the Lafitte Area Independent Levee District's (the District) financial performance during the year ended June 30, 2019. It should be read in conjunction with the financial report taken as a whole.

**FINANCIAL HIGHLIGHTS**

The District received contributions for flood protection totaling approximately \$8 million.

The District's net pension obligation at June 30, 2019, totaled \$585,013, representing a decrease of \$41,654 from the fiscal year ended June 30, 2018.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019

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

**Notes to the Financial Statements**

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

**Other Information**

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

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,424,208 at June 30, 2019. Included in the District's net position is its investment in capital assets, which consists primarily of levee infrastructure and construction in progress reduced by liabilities payable for levee construction. These assets are not available for future spending.

The District's assets increased by \$9,163,654 primarily from additional funds received for levee construction. Total liabilities increased by \$1,669,195 primarily from increases in amounts owed to a contractor for levee construction.

Program revenues increased by \$6,548,589 primarily from increased capital grants and contributions for levee construction. Expenses decreased by \$324,284 primarily from decreases in tropical storm expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019

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

Comparative Statement of Net Position  
June 30, 2019 and June 30, 2018

<b>Assets:</b>	2019	(restated) 2018	Change	Percent Change
Current	\$ 3,170,313	\$ 2,317,726	\$ 852,587	36.8%
Capital assets, net	37,499,056	29,187,989	8,311,067	28.5%
Total assets	<u>40,669,369</u>	<u>31,505,715</u>	<u>9,163,654</u>	<u>29.1%</u>
Deferred outflows relating to pensions	<u>134,852</u>	<u>243,023</u>	<u>(108,171)</u>	<u>-44.5%</u>
<b>Liabilities:</b>				
Current liabilities	1,788,840	77,991	1,710,849	2193.6%
Noncurrent liabilities	585,013	626,667	(41,654)	-6.6%
Total liabilities	<u>2,373,853</u>	<u>704,658</u>	<u>1,669,195</u>	<u>236.9%</u>
Deferred inflows relating to pensions	<u>6,160</u>	<u>9,947</u>	<u>(3,787)</u>	<u>-38.1%</u>
<b>Net position:</b>				
Net investment in capital assets	35,723,993	29,187,989	6,536,004	22.4%
Unrestricted	<u>2,700,215</u>	<u>1,846,144</u>	<u>854,071</u>	<u>-46.3%</u>
Total net position	<u>\$ 38,424,208</u>	<u>\$ 31,034,133</u>	<u>\$ 7,390,075</u>	<u>23.8%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS  
LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019

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

Comparative Statement of Activities  
For the Years Ended June 30, 2019 and June 30, 2018

<b>Expenses:</b>	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>Percent Change</u>
Operating services	\$ 524,865	\$ 858,581	\$ (333,716)	-38.9%
Depreciation	249,934	240,502	9,432	3.9%
Total expenses	<u>774,799</u>	<u>1,099,083</u>	<u>(324,284)</u>	<u>-29.5%</u>
<b>Revenues:</b>				
Program revenues:				
Operating grants and contributions	33,957	-	33,957	100.0%
Capital grants and contributions	7,880,717	1,366,085	6,514,632	476.9%
Total program revenues	<u>7,914,674</u>	<u>1,366,085</u>	<u>6,548,589</u>	<u>479.4%</u>
General revenues:				
Taxes	243,550	222,557	20,993	9.4%
Miscellaneous	6,650	4,747	1,903	40.1%
Total general revenues	<u>250,200</u>	<u>227,304</u>	<u>22,896</u>	<u>49.5%</u>
Total revenues	<u>8,164,874</u>	<u>1,593,389</u>	<u>6,571,485</u>	<u>412.4%</u>
Change in net position	7,390,075	494,306	6,895,769	1395.0%
Net position, previously reported	<u>31,669,396</u>	<u>31,175,090</u>	<u>5,683,851</u>	<u>18.2%</u>
Prior period adjustment	(635,263)	-	-	-
Net position, as restated	<u>31,034,133</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ 38,424,208</u>	<u>\$ 31,669,396</u>	<u>\$ 12,579,620</u>	<u>39.7%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS  
LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District's capital assets, net of accumulated depreciation at June 30, 2019, totaled \$37,499,056. Additions during the year included \$8,561,001 for levee construction and equipment purchases.

Capital assets net of accumulated depreciation at June 30, 2019, are summarized as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 534,887	\$ 534,887
Construction/development in progress	27,721,921	19,843,356
Infrastructure-levee/drainage system	9,170,354	9,403,288
Machinery and equipment	34,155	41,721
Office furniture and equipment	1,681	-
Vehicle	36,058	-
Total	<u>\$ 37,499,056</u>	<u>\$ 29,823,252</u>

**Debt Administration**

The District has no long-term debt.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

- Millage rates for ad valorem taxes
- Projects in progress and under construction
- Intergovernmental agreements

**CONTACTING THE LAFITTE AREA INDEPENDENT LEVEE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Nicole Cooper at 504-689-2208.

## **BASIC FINANCIAL STATEMENTS**

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION  
JUNE 30, 2019

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 902,045	\$ -	\$ 902,045
Receivables-Louisiana Recovery Authority grants	2,139,253	-	2,139,253
Receivables-Jefferson Parish	100,000	-	100,000
Prepaid insurance	29,015	-	29,015
Capital assets, net of accumulated depreciation	-	37,499,056 A	37,499,056
Total assets	3,170,313	37,499,056	40,669,369
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions		134,852 B	134,852
<b>LIABILITIES:</b>			
Accrued salaries and benefits	13,777	-	13,777
Liabilities payable for levee construction	1,775,063	-	1,775,063
Net pension obligation	-	585,013 C	585,013
Total liabilities	1,788,840	585,013	2,373,853
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	-	6,160 B	6,160
<b>FUND BALANCE/NET POSITION:</b>			
Committed-levees, hurricanes and emergency work	1,000,000	(1,000,000)	
Unassigned	381,473	(381,473)	
Total liabilities and fund balance \$	3,170,313		
Net investment in capital assets		35,723,993	35,723,993
Unrestricted		2,700,215	2,700,215
Total net position		\$ 38,424,208	\$ 38,424,208

\* Explanations

A-Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the General Fund.

B-Deferred outflows and inflows of resources relating to pensions are not available to pay for current-period expenditures; therefore, they are not reported in the General Fund.

C-Long-term liabilities for the net pension obligation are not due and payable in the current period; therefore, they are not reported in the General Fund.

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Adjustments*	Statement of Activities
<b>EXPENDITURES/EXPENSES:</b>			
Personal services and related benefits	\$ 332,533	\$ 62,730	A \$ 395,263
Travel	2,603	-	2,603
Professional services	33,350	-	33,350
Office supplies	34,582	-	34,582
Repairs and maintenance	57,096	-	57,096
Miscellaneous	1,115	-	1,115
Capital outlay	8,561,001	(8,561,001)	B -
Depreciation	-	249,934	B 249,934
Tropical storm expenditures	856	-	856
Total expenditures/expenses	9,023,136	(8,248,337)	774,799
<b>PROGRAM REVENUES:</b>			
Operating grants and contributions	33,957	-	33,957
Capital grants and contributions	7,880,717	-	7,880,717
Total program revenues	7,914,674	-	7,914,674
Net program revenues			7,139,875
<b>GENERAL REVENUES:</b>			
Property taxes	243,550	-	243,550
Miscellaneous	6,650	-	6,650
Total general revenues	250,200	-	250,200
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(858,262)	-	-
<b>CHANGE IN NET POSITION</b>		-	7,390,075
<b>FUND BALANCE/NET POSITION</b>			
Beginning of the year, previously reported	2,239,735	27,103,167	31,669,396
Prior period adjustment	-	(635,263)	(635,263)
Beginning of the year, as restated	2,239,735	26,467,904	31,034,133
End of the year	\$ 1,381,473	\$ 26,467,904	\$ 38,424,208

\* Explanations

A-Expenses of long-term obligations for pension liabilities reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the General Fund.

B-Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets 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 (i.e., supplies).

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**NATURE OF OPERATIONS**

The Lafitte Area Independent Levee District (“the District”), a component unit of the state of Louisiana, was created under the provisions of Louisiana Revised Statute (R.S.) 38:291.Y. The District is domiciled in the Town of Jean Lafitte, Louisiana, and provides flood protection through the construction/maintenance of levees and drainage for those areas contained within its boundaries – Crown Point, Jean Lafitte, and unincorporated areas of Lafitte and Barataria. The District is managed by a board of commissioners composed of five members who are appointed by the governor of the state of Louisiana.

Commissioners, as authorized by R.S 38:308 receive a per diem to attend meetings or conduct board-approved business not to exceed \$75 per day up to 36 days per year.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

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

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

The Governmental Fund Balance Sheet/Statement of Net Position is presented on a consolidated basis; however, the General fund includes 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) are not reported in the general fund.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities are presented on a consolidated basis. Expenses of long term obligations do not require the use of current financial resources and are not reported as expenditures in the general fund. 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 (i.e., supplies). 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 exceed \$1,000 in cost are capitalized. Infrastructure assets such as levees, roads, and bridges are also capitalized along with interest on debt incurred during construction. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Position.

*Program Revenues*

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

*Indirect Expenses*

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**D. FUND ACCOUNTING**

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

**E. BASIS OF ACCOUNTING**

The accompanying government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated, and long-term obligations are reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses and such assets are not depreciated. Principal and interest paid on long-term debt is reported as current expenses; however, the District has no long-term debt.

**F. BUDGETS AND BUDGETARY ACCOUNTING**

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**G. CASH AND INVESTMENTS**

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

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

**H. CAPITAL ASSETS**

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

	<u>Years</u>
Buildings/improvements	10 - 20
Infrastructure	20 - 50
Machinery/equipment	3 - 10
Furniture/office equipment/vehicles	3 - 10

**I. COMPENSATED ABSENCES AND POSTRETIREMENT HEALTH CARE BENEFITS**

The District does not provide compensated absence or postretirement health care benefits.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**J. NONCURRENT LIABILITIES**

Noncurrent liabilities consist of amounts for the District's proportionate share of the Louisiana State Employees' Retirement System ("LASERS") actuarially accrued net pension liability. 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 LASERS, and additions to/deductions from the LASERS fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**K. FUND BALANCE**

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

**L. NET POSITION**

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

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

**M. PROPERTY TAXES**

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**N. USE OF ESTIMATES**

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

**2. CASH**

At June 30, 2019, the District has cash (book balances) of \$902,045 in demand deposits. Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. Under state law, the District's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the District or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2019, the District had collected bank balances totaling \$889,436 which was completely collateralized by federal deposit insurance and pledged securities.

**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

	(Restated) Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
Capital assets not being depreciated:				
Land	\$ 534,887	\$ -	\$ -	\$ 534,887
Construction in progress	<u>19,208,093</u>	<u>8,513,828</u>	<u>-</u>	<u>27,721,921</u>
Total capital assets not being depreciated	<u>19,742,980</u>	<u>8,513,828</u>	<u>-</u>	<u>28,256,808</u>
Capital assets being depreciated:				
Infrastructure	11,646,798	-	-	11,646,798
Furniture/office equipment/vehicle	-	47,173	-	47,173
Machinery and equipment	<u>94,149</u>	<u>-</u>	<u>-</u>	<u>94,149</u>
Total capital assets being depreciated	<u>11,740,947</u>	<u>47,173</u>	<u>-</u>	<u>11,788,120</u>
Less accumulated depreciation:				
Infrastructure	(2,243,510)	(232,934)	-	(2,476,444)
Furniture/office equipment/vehicle	-	(7,566)	-	(7,566)
Machinery and equipment	<u>(52,428)</u>	<u>(9,434)</u>	<u>-</u>	<u>(61,862)</u>
Total accumulated depreciation	<u>(2,295,938)</u>	<u>(249,934)</u>	<u>-</u>	<u>(2,545,872)</u>
Capital assets net	<u>\$ 29,187,989</u>	<u>\$ 8,311,067</u>	<u>\$ -</u>	<u>\$ 37,499,056</u>

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

#### 4. PENSIONS

The District is a participating employer in a statewide, public employee retirement system, the Louisiana State Employees' Retirement System (LASERS). LASERS has a separate board of trustees and administers a cost-sharing, multiple-employer defined benefit pension plan, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by LASERS to the state Legislature. LASERS issues a public report that includes financial statements and required supplementary information. A copy of the report may be obtained at [www.lasersonline.org](http://www.lasersonline.org). At June 30, 2019, the District had three active employees and no retirees as members in LASERS.

#### **General Information about the Pension Plan**

##### *Plan Descriptions/Benefits Provided:*

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

The substantial majority of members may retire with full benefits at any age upon completing 30 years of service and at age 60 upon completing 5-10 years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially-reduced benefit. Eligibility for retirement benefits and the computation of retirement benefits are provided for in R.S. 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006, or highest 60 consecutive months of employment for members employed after that date. A member leaving service before attaining minimum retirement but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions.

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

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

Survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

***Cost of Living Adjustments***

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

***Contributions***

Article X, Section 29(E) (2) (a) of the Louisiana Constitution of 1974 assigns the legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily-established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Employer contributions to LASERS for fiscal year 2019 were \$62,314, with active members contributing 8%, and the District (employer) contributing 37.9%.

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

At June 30, 2019, the District reported a liability of \$585,013 for its proportionate share of the LASERS Net Pension Liability (NPL). The NPL for LASERS was measured as of June 30, 2018, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

The District's proportion of the NPL was based on projections of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2018, the most recent measurement date, the District's proportion was 0.00858%, representing a decrease in the proportion from the prior measurement date of 0.00032%. For the year ended June 30, 2019, the District recognized a total pension expense of \$123,330. 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	\$ 5,953	\$ 6,560
Net difference between projected and actual earnings on pension plan investments	7,586	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	60,713	(400)
Employer contributions subsequent to the measurement date	<u>60,600</u>	<u>-</u>
Total	<u>\$ 134,852</u>	<u>\$ 6,160</u>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS NPL in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2020	\$ 85,329
June 30, 2021	\$ (1,300)
June 30, 2022	\$ (14,297)
June 30, 2023	\$ (2,141)

***Actuarial Assumptions***

The total pension liability for LASERS in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.65% per annum
Inflation Rate	2.75% per annum
Mortality - Non-disabled	RP-2000, improvement to 2015
Mortality - Disabled	RP-2000
Termination, Disability, Retirement	2009-2013 experience study
Salary Increases	2009-2013 experience study, ranging from 2.8% to 14.3%
Cost of Living Adjustments	Not substantively automatic

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.72% for 2017. 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, 2017 are summarized in the following table.

	<u>Target Asset Allocation</u>	<u>Geometric Real Rates of Return</u>
LASERS		
Cash	0%	-0.48%
Domestic equity	23%	4.31%
International equity	32%	5.26%
Domestic fixed income	6%	1.49%
International fixed income	10%	2.23%
Alternative investments	22%	7.67%
Risk parity	7%	4.96%
Total Fund	<u>100%</u>	<u>5.40%</u>

***Discount Rate***

The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

the current contribution rate and that employer contributions from participating employers will be made at contractually-required rates, actuarially determined.

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

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LASERS \$	<u>738,326</u>	<u>\$ 585,013</u>	<u>\$ 452,974</u>

***Pension plan fiduciary net position***

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

At June 30, 2019 the District owed LASERS \$4,242 for employee and employer legally-required contributions.

**5. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2019:

	<u>Balance at June 30, 2018</u>	<u>Reductions</u>	<u>Balance at June 30, 2019</u>	<u>Amounts Due Within One Year</u>
Pension liabilities (note 4) \$	<u>626,667</u>	<u>\$ (41,654)</u>	<u>\$ 585,013</u>	<u>\$ -</u>

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**6. CLAIMS AND LITIGATION**

The District is exposed to various risks of losses related to general liability: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. At June 30, 2019, the District was not involved in any threatened or ongoing litigation.

**7. RISK MANAGEMENT**

The District is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers. Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate) and worker's compensation is provided at the statutory limits of \$100,000/500,000/100,000. In each policy, the District is responsible for the applicable deductible.

**8. PRIOR PERIOD ADJUSTMENT**

Beginning net position was restated (decreased) by \$635,263 to correct errors made in fiscal year 2017. Construction in progress and net position were each decreased by \$635,263, respectively. The error did not affect the prior change in net position.

**REQUIRED SUPPLEMENTARY INFORMATION**

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal Year*	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2015	0.00535%	\$ 334,594	\$ 102,350	327%	65.0%
2016	0.00537%	\$ 365,513	\$ 101,605	360%	62.7%
2017	0.00559%	\$ 438,801	\$ 173,900	252%	57.7%
2018	0.00890%	\$ 626,667	\$ 166,000	378%	62.5%
2019	0.00858%	585,013	166,000	352%	64.3%

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

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

**Notes to Required Supplementary Information**

Changes of Benefit Terms include:

- A. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and
- B. 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.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal Year*	(a) Statutorily- Required Contribution	(b) Contributions in relation to the statutorily- required contribution	(a-b) Contribution Deficiency (Excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2015	\$ 33,456	\$ 33,456	\$ -	\$ 101,605	32.9%
2016	\$ 39,855	\$ 39,855	\$ -	\$ 108,098	36.9%
2017	\$ 61,698	\$ 61,698	\$ -	\$ 173,900	35.5%
2018	\$ 62,284	\$ 62,284	\$ -	\$ 166,000	37.5%
2019	\$ 62,914	\$ 62,914	\$ -	\$ 166,000	37.9%

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

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

**Notes to Required Supplementary Information**

Changes of Benefit Terms include:

- A. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and
- B. 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.

## **SUPPLEMENTARY INFORMATION**

**ANNUAL FISCAL REPORT (AFR)  
FOR 2019**

AGENCY: 20-14-09 - Lafitte Area Independent Levee District

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**STATEMENT OF NET POSITION**

**ASSETS**

**CURRENT ASSETS:**

CASH AND CASH EQUIVALENTS	902,045.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	2,239,253.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	29,015.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
<b>TOTAL CURRENT ASSETS</b>	<b>\$3,170,313.00</b>

**NONCURRENT ASSETS:**

**RESTRICTED ASSETS:**

CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
<b>CAPITAL ASSETS (NET OF DEPRECIATION &amp; AMORTIZATION)</b>	
LAND	534,887.00
BUILDINGS AND IMPROVEMENTS	0.00
MACHINERY AND EQUIPMENT	71,894.00
INFRASTRUCTURE	9,170,354.00
INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	27,721,921.00
OTHER NONCURRENT ASSETS	0.00
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$37,499,056.00</b>
<b>TOTAL ASSETS</b>	<b>\$40,669,369.00</b>

**DEFERRED OUTFLOWS OF RESOURCES**

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPER-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	134,852.00

**ANNUAL FISCAL REPORT (AFR)  
FOR 2019**

AGENCY: 20-14-09 - Lafitte Area Independent Levee District

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**TOTAL DEFERRED OUTFLOWS OF RESOURCES** **\$134,852.00**

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** **\$40,804,221.00**

**LIABILITIES**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE AND ACCRUALS	1,788,840.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	0.00
OTHER CURRENT LIABILITIES	0.00

**CURRENT PORTION OF LONG-TERM LIABILITIES:**

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00

**TOTAL CURRENT LIABILITIES** **\$1,788,840.00**

**NONCURRENT PORTION OF LONG-TERM LIABILITIES:**

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
TOTAL OPEB LIABILITY	0.00
NET PENSION LIABILITY	585,013.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00

**TOTAL LONG-TERM LIABILITIES** **\$585,013.00**

**TOTAL LIABILITIES** **\$2,373,853.00**

**DEFERRED INFLOWS OF RESOURCES**

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	6,160.00

**TOTAL DEFERRED INFLOWS OF RESOURCES** **\$6,160.00**

**ANNUAL FISCAL REPORT (AFR)  
FOR 2019**

AGENCY: 20-14-09 - Lafitte Area Independent Levee District

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**NET POSITION:**

NET INVESTMENT IN CAPITAL ASSETS	35,723,993.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	<b>\$2,700,215.00</b>
<b>TOTAL NET POSITION</b>	<b>\$38,424,208.00</b>

**ANNUAL FISCAL REPORT (AFR)  
FOR 2019**

AGENCY: 20-14-09 - Lafitte Area Independent Levee District

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**STATEMENT OF ACTIVITIES**

**PROGRAM REVENUES**

<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>NET (EXPENSE) REVENUE</b>
774,799.00	0.00	33,957.00	7,880,717.00	<b>\$7,139,875.00</b>

**GENERAL REVENUES**

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	250,200.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
<b>CHANGE IN NET POSITION</b>	<b>\$7,390,075.00</b>
NET POSITION - BEGINNING	<b>\$31,669,396.00</b>
NET POSITION - RESTATEMENT	(635,263.00)
<b>NET POSITION - ENDING</b>	<b>\$38,424,208.00</b>

**ANNUAL FISCAL REPORT (AFR)  
FOR 2019**

AGENCY: 20-14-09 - Lafitte Area Independent Levee District

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

**FUND BALANCE/NET POSITION RESTATEMENT**

<b>Account Name/Description</b>	<b>Restatement Amount</b>
NONCURRENT ASSETS - CONSTRUCTION IN PROGRESS	
Description:	(635,263.00)
Correction of error	
<b>Total</b>	<b>\$(635,263.00)</b>

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



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*

Lafitte Area Independent Levee District  
State of Louisiana  
Lafitte, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the Lafitte Area Independent Levee District (District), a component unit of the state of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 21, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of This Report**

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

***Hienz and Macaluso, LLC***

Metairie, Louisiana

August 21, 2019

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

**Section I - Summary of Auditor's Results:**

- 1) The auditor's report expresses an unmodified opinion on the financial statements of the Lafitte Area Independent Levee District.
- 2) No control deficiencies were disclosed during the audit of the financial statements of the Lafitte Area Independent Levee District.
- 3) No instances of noncompliance were disclosed during the audit of the financial statements of the Lafitte Area Independent Levee District.

**Section II - Financial Statement Findings:**

There were no financial statement findings for the year ended June 30, 2019.

**Section III - Federal Award Findings and Questioned Costs:**

Not applicable.

**Section IV - Management Letter:**

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019

There were no findings for the year ended June 30, 2018.