

**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, 2019

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
 RACELAND, LOUISIANA
TABLE OF CONTENTS
 DECEMBER 31, 2019

	<u>Statement</u>	<u>Page</u>
Independent Auditors' Report		1-2
Management's Discussion and Analysis		3-8
<u>Basic Financial Statements:</u>		
Government Fund Balance Sheet / Statement of Net Position	A	10
Reconciliation of the Government Fund Balance Sheet to the Statement of Net Position	B	11
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities	C	12
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	D	13
Notes to the Financial Statements		14-34
<u>Required Supplementary Schedules:</u>		
Schedule of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds – Budget and Actual	1	36
Schedule of the District's Proportionate Share of Total Collective OPEB Liability	2	37
Schedule of the District's Share of Net Pension Liability	3	38
Schedule of the District's Pension Contributions	4	39
<u>Supplementary Schedules:</u>		
Schedule of Per Diem Paid Board Members		41
Schedule of Compensation, Benefits and Other Payments to District Head		42
<u>Other Reports of Certified Public Accountants:</u>		
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		44-45
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		46-47
Schedule of Expenditures of Federal Awards		48
Notes to Schedule of Expenditures of Federal Awards		48
Schedule of Findings and Questioned Costs		49



To the Board of Commissioners
NORTH LAFOURCHE CONSERVATION, LEVEE
AND DRAINAGE DISTRICT
STATE OF LOUISIANA
Raceland, Louisiana

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the General Fund of the North Lafourche Conservation, Levee and Drainage District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 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.

Auditors' Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I have conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the North Lafourche Conservation, Levee and Drainage District, as of December 31, 2019 and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

4865 Ihles Rd, Ste 6 Lake Charles
Lenora@My-CPAteam.com

PO Box 793
Jennings, LA 70546
• 337-278-5144 •

Accounting, Audit, Tax & Forensic
www.My-CPAteam.com

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the required supplemental information listed in the table of contents to 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. I have applied certain limited procedures to the Management's Discussion and Analysis and the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The other accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The other accompanying supplementary information listed in the table of contents and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and related 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 my opinion, the other accompanying supplementary information stated above and the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 23, 2020, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of my 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 District's internal control over financial reporting and compliance.

Lenora B Krielow

Certified Public Accountant
Jennings, Louisiana
June 23, 2020

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2019

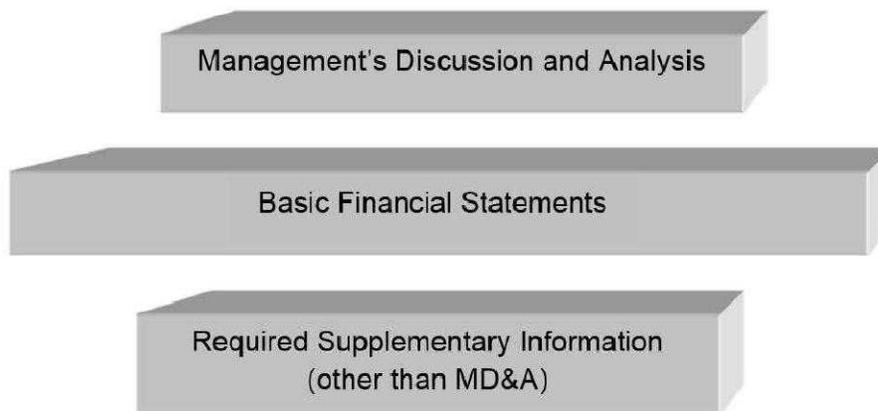
Management's Discussion and Analysis of the North Lafourche Conservation, Levee and Drainage District (District)' s financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2019. This document focuses on the current year' s activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and 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 2019 by \$46,615,667 which represents a 11.38% increase from last fiscal year.
- The District's revenue's totaled \$8,704,171 for the year ended December 31, 2019. These revenues are comprised primarily of ad valorem and sales taxes. Revenues remained relatively consistent with amounts reported in the last fiscal year.
- The District's expenses totaled \$3,938,244 for the year ended December 31, 2019. These expenditures are comprised primarily of repairs and maintenance, operating services, and personnel expenses. Expenses increased \$946,169 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 (this section), 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 (2) notes to the financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2019

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 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, 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.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2019

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.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

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

**Comparative Statement of Net Position
As of December 31, 2019, and December 31, 2018**

	2019	2018	Variance	Percentage Change
Assets				
Current assets	\$ 19,455,101	\$ 22,291,840	\$ (2,836,739)	(12.7%)
Capital assets	43,146,494	34,712,114	8,434,380	24.3%
Net Total Assets	62,601,595	57,003,954	5,597,641	9.8%
Deferred outflows of resources	311,853	208,677	103,176	49.4%
Liabilities				
Current liabilities	2,321,457	1,179,334	1,142,123	96.8%
Noncurrent liabilities	13,931,150	14,142,286	(211,136)	(1.5%)
Total Liabilities	16,252,607	15,321,620	930,987	6.1%
Deferred inflows of resources	45,174	41,271	3,903	9.5%
Net Position:				
Net Investment in capital assets	34,934,393	27,951,839	6,982,554	25.0%
Restricted for capital projects	9,094,709	8,796,982	297,727	3.4%
Restricted for debt service	1,651,038	1,638,823	12,215	0.7%
Unrestricted	935,527	3,462,096	(2,526,569)	(73.0%)
Total net position	\$ 46,615,667	\$ 41,849,740	\$ 4,765,927	11.4%

The schedule is prepared from the District's Statement of Net Position which is presented on an accrual basis of accounting. Significant changes for 2019 include:

- Current assets decreased by \$2,836,739 over the prior year, mainly from the spending of bond proceeds for capital projects.
- Capital assets increased \$8,434,380 over the prior year, mainly due to the capital projects.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2019

Net investment in capital assets consist of capital assets net of accumulated depreciation and reduced by any related debt. 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.

Comparative Statement of Changes in Net Position
For the Fiscal Years December 31, 2019, and December 31, 2018

	2019	2018	Change	Percentage Change
Expenditures/Expenses				
Personnel Services and related benefits	\$ 861,509	\$ 630,903	\$ 230,606	36.6%
Travel	37,167	25,084	12,083	48.2%
Professional Services	448,509	315,399	133,110	42.2%
Office Supplies	28,254	28,979	(725)	(2.5%)
Repairs and Maintenance	340,685	85,486	255,199	298.5%
Operating Services	789,825	633,435	156,390	24.7%
Debt Service Payments	437,573	447,673	(10,100)	(2.3%)
Depreciation	994,722	825,116	169,606	20.6%
Total expenditure/expenses	<u>3,938,244</u>	<u>2,992,075</u>	<u>946,169</u>	31.6%
Revenues				
Program Revenues				
Capital grants and contributions	1,882,749	1,700,289	182,460	10.7%
General revenues				
Ad Valorem Taxes	3,951,005	4,363,945	(412,940)	(9.5%)
Sales Taxes	2,675,111	2,517,460	157,651	6.3%
Use of Money and Property	195,306	157,995	37,311	23.6%
Total general revenues	<u>6,821,422</u>	<u>7,039,400</u>	<u>(217,978)</u>	(3.1%)
Total revenues	<u>8,704,171</u>	<u>8,739,689</u>	<u>(35,518)</u>	(0.4%)
Change in net position	4,765,927	5,747,614	(981,687)	(17.1%)
Net position, beginning	<u>41,849,740</u>	<u>36,102,126</u>	<u>5,747,614</u>	15.9%
Net position, ending	<u>\$ 46,615,667</u>	<u>\$ 41,849,740</u>	<u>\$ 4,765,927</u>	11.4%

The District's expenses increased by \$946,169 from the previous fiscal year. The majority of the increase in expense is related to the implementation of a pump station monitoring system, purchase of flood fighting equipment in preparation of emergency use, proactive drainage studies in high development areas, and more repairs and maintenance of drainage and protection. There was also an increase of in Personnel and Related Benefits mostly related to two additional administrative employees with a general focus directed on project funding and capital projects construction with bond proceeds and GOMESA reimbursement funding.

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF DECEMBER 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2019, totaled \$43,146,554. This amount represents a net increase (including additions and disposals, net of depreciation) of \$8,434,440 or 24.3% over the previous fiscal year. More detailed information about the Districts' capital assets are presented in the notes to the financial statements.

Capital Assets, Net of Depreciation
As of December 31, 2019 and December 31, 2018

	2019	2018	Variance	Percent Change
Land	\$ 1,434,547	\$ 1,434,547	\$ -	0.0%
Construction in Progress	2,519,044	1,079,582	1,439,462	133.3%
Infrastructure	37,856,587	30,798,049	7,058,538	22.9%
Building & Improvements	677,068	697,312	(20,244)	(2.9%)
Machinery and Equipment	627,554	669,376	(41,822)	(6.2%)
Office Equipment/Furniture	31,754	33,248	(1,494)	(4.5%)
Total	<u>\$ 43,146,554</u>	<u>\$ 34,712,114</u>	<u>\$ 8,434,440</u>	

LONG-TERM LIABILITIES

The District's long-term liabilities at December 31, 2019 totaled \$13,931,420. This amount represents a net decrease of \$210,866 over the previous fiscal year. The primary reason for the decrease is the bond payment of \$510,000 along with \$9,446 of bond amortization.

Long-Term Liabilities at Year-End

	2019	2018	Variance	Percent Change
Compensated Absences Payable	\$ 38,932	\$ 35,723	\$ 3,209	9.0%
Bonds Payable	12,252,941	12,782,387	(529,446)	(4.1%)
Net Pension Liability	1,572,851	1,254,935	317,916	25.3%
OPEB Payable	66,696	69,241	(2,545)	(3.7%)
Total	<u>\$ 13,931,420</u>	<u>\$ 14,142,286</u>	<u>\$ (210,866)</u>	

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and 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

One of the most important factors affecting the budget is the tax collections which is approximately 83.8 percent of budgeted revenues while grants and contributions are 13.82 percent. The General Fund's budget for expenditures in 2019 was \$11,568,154 of which \$8,461,009 or 73.1 percent was allocated to capital outlay and levee maintenance.

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 questions about this report or need additional financial information, contact Dwayne Bourgeois, Executive Director, Post Office Box 209, Thibodaux, Louisiana 70302.

BASIC FINANCIAL STATEMENTS

STATEMENT A

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019

	General Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds	Adjustments (Statement B)	Statement of Net Position
ASSETS						
Cash	\$ 3,754,163	\$ 8,617,120	\$ 1,651,038	\$ 14,022,321	\$ -	\$ 14,022,321
Accounts receivable	4,947,384	484,328	-	5,431,712	-	5,431,712
Other assets	1,068	-	-	1,068	-	1,068
Capital assets, net of accumulated depreciation	-	-	-	-	43,146,494	43,146,494
TOTAL ASSETS	<u>8,702,615</u>	<u>9,101,448</u>	<u>1,651,038</u>	<u>19,455,101</u>	<u>43,146,494</u>	<u>62,601,595</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	-	-	-	-	297,212	297,212
Deferred outflows related to OPEB	-	-	-	-	14,641	14,641
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,853</u>	<u>311,853</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 8,702,615</u>	<u>\$ 9,101,448</u>	<u>\$ 1,651,038</u>	<u>\$ 19,455,101</u>		
LIABILITIES						
Accounts payable and accruals	\$ 1,794,718	\$ 6,739	\$ -	\$ 1,801,457	-	1,801,457
Compensated absence payable	-	-	-	-	38,932	38,932
Bonds payable due within one year	-	-	-	-	520,000	520,000
Bonds Payable due after one year	-	-	-	-	12,252,941	12,252,941
Net pension obligation	-	-	-	-	1,572,581	1,572,581
OPEB payable	-	-	-	-	66,696	66,696
TOTAL LIABILITIES	<u>1,794,718</u>	<u>6,739</u>	<u>-</u>	<u>1,801,457</u>	<u>14,451,150</u>	<u>16,252,607</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to ad valorem taxes	252,758	-	-	252,758	(252,758)	-
Deferred inflows related to pensions	-	-	-	-	30,354	30,354
Deferred inflows related to OPEB	-	-	-	-	14,820	14,820
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>252,758</u>	<u>-</u>	<u>-</u>	<u>252,758</u>	<u>(207,584)</u>	<u>45,174</u>
FUND BALANCE/NET POSITION						
Restricted for Capital Projects	-	9,094,709	-	9,094,709	(9,094,709)	-
Restricted for Debt Service	-	-	1,651,038	1,651,038	(1,651,038)	-
Committed	4,296,016	-	-	4,296,016	(4,296,016)	-
Unassigned	2,359,123	-	-	2,359,123	(2,359,123)	-
TOTAL FUND BALANCE	<u>6,655,139</u>	<u>9,094,709</u>	<u>1,651,038</u>	<u>17,400,886</u>	<u>(17,400,886)</u>	<u>-</u>
TOTAL LIABILITIES, TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 8,702,615</u>	<u>\$ 9,101,448</u>	<u>\$ 1,651,038</u>	<u>\$ 19,455,101</u>		
Net investment in capital assets					34,934,393	34,934,393
Restricted for capital projects					9,094,709	9,094,709
Restricted for Debt Service					1,651,038	1,651,038
Unrestricted					935,527	935,527
TOTAL NET POSITION					<u>\$ 46,615,667</u>	<u>\$ 46,615,667</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, 2019

Total Fund Balances for Governmental Funds (Statement A)		\$ 17,400,886
Total Net Position reported for 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 funds.		
Governmental capital assets	49,271,890	
Less accumulated depreciation	<u>(6,125,396)</u>	43,146,494
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	297,212	
Net deferred outflows related to OPEB	<u>14,641</u>	311,853
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities.		
Compensated absences payable	(38,932)	
Bonds payable	(12,772,941)	
Net pension liability	(1,572,581)	
Other postemployment benefit payable	<u>(66,696)</u>	(14,451,150)
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	252,758	
Net deferred inflows related to pensions	(30,354)	
Net deferred inflows related to OPEB	<u>(14,820)</u>	207,584
Net Position of Governmental Activities (Statement A)		<u>\$ 46,615,667</u>

The accompanying notes are an integral part of this financial statement

STATEMENT C

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, 2019

	General Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds	Adjustments (Statement D)	Statement of Activities	
EXPENDITURES/EXPENSES							
Personal services and related benefits	\$ 642,472	\$ -	\$ -	\$ 642,472	\$ 219,037	\$ 861,509	
Professional services	448,509	-	-	448,509	-	448,509	
Repairs and maintenance	340,685	-	-	340,685	-	340,685	
Operating services	830,488	24,758	-	855,246	-	855,246	
Debt service payments:							
Principal payments	-	-	510,000	510,000	(510,000)	-	
Interest payments	-	-	447,019	447,019	(9,446)	437,573	
Capital outlay	7,970,536	1,458,566	-	9,429,102	(9,429,102)	-	
Depreciation	-	-	-	-	994,722	994,722	
Total Expenditure/Expenses	<u>10,232,690</u>	<u>1,483,324</u>	<u>957,019</u>	<u>12,673,033</u>	<u>(8,734,789)</u>	<u>3,938,244</u>	
PROGRAM REVENUES							
Capital grants and contributions	<u>1,882,749</u>	<u>-</u>	<u>-</u>	<u>1,882,749</u>		1,882,749	
NET PROGRAM EXPENSES						<u>2,055,495</u>	
GENERAL REVENUES							
Ad valorem taxes	3,956,340	-	-	3,956,340	(5,335)	3,951,005	
Sales Taxes	-	2,675,111	-	2,675,111	-	2,675,111	
Use of money and property	120,132	67,875	7,299	195,306	-	195,306	
Total General Revenues	<u>4,076,472</u>	<u>2,742,986</u>	<u>7,299</u>	<u>6,826,757</u>	<u>(5,335)</u>	<u>6,821,422</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							(4,273,469) 1,259,662 (949,720) (3,963,527) 8,729,454 -
OTHER FINANCING SOURCES							
Transfer in (out)	-	(961,935)	961,935	-	-	-	
Total Other Financing Sources	<u>-</u>	<u>(961,935)</u>	<u>961,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES							(4,273,469) 297,727 12,215 (3,963,527) 3,963,527 NONE
CHANGE IN NET POSITION							- - - NONE 4,765,927 4,765,927
FUND BALANCE/NET POSITION							
Beginning of the year	<u>10,928,608</u>	<u>8,796,982</u>	<u>1,638,823</u>	<u>21,364,413</u>	<u>20,485,327</u>	<u>41,849,740</u>	
End of the year	<u>\$ 6,655,139</u>	<u>\$ 9,094,709</u>	<u>\$ 1,651,038</u>	<u>\$ 17,400,886</u>	<u>\$ 29,214,781</u>	<u>\$ 46,615,667</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, 2019

Net Change in Fund Balances - Governmental Fund (Statement C) \$ (3,963,527)

Amounts reported for governmental activities in the statement of activities are different 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	9,429,102	
Less accumulated depreciation	<u>(994,722)</u>	8,434,380

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

Current year deferred inflows	252,758	
Prior year deferred inflows	<u>(258,093)</u>	(5,335)

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 issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments	510,000	
Amortization of bond premium	<u>9,446</u>	519,446

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.

(219,037)

Change in Net Position of Governmental Activities (Statement C)

\$ 4,765,927

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, 2019

INTRODUCTION

North Lafourche Conservation, Levee and Drainage District (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, allows the maximum per diem rate for levee board members to be seventy-five percent of the Federal per diem based on rates allowed for particular areas (changing year to year by region). However, in 2016 the board members voted unanimously to remain at the \$75 per meeting 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, 2019

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 postemployment 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 (i.e., repairs and maintenance).

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, 2019

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 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 uses the Capital Projects Fund to account activity associated with 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 resources 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 to 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, 2019

E. Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the District adopts an annual budget. The Budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the cash basis of accounting. 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 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:

	<u>Years</u>
Buildings/improvements	15-40
Infrastructure	20-50
Machinery/equipment	3-15
Furniture/office equipment	3-10

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, 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, 2019

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. Long-Term Obligations

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System, and additions to/deductions from the retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement system. 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 - Governmental Funds

Fund Financial Statements: The North Lafourche Conservation, Levee and Drainage District elected to implement GASB 54, *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) *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b) *Restricted* - amounts that can be spent only for specific 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.
- b) *Committed*- amounts that can be used only for specific purposes determined by a formal action of the Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of the District.
- c) *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.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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. 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 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.

N. 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.

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

O. Recent Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The purpose of this statement was to increase 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

At December 31, 2019, the District has cash (book balance) of \$14,022,321 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, 2019, the District had \$14,119,733 in deposits (collective bank balances), which are secured from risk by federal deposit insurance plus pledged securities in the amount of \$15,353,818.

NOTE 3: ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019:

Ad valorem taxes	\$	4,016,932
Sales taxes		484,328
Due from other governmental agencies		930,452
Total accounts receivable	\$	5,431,712

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2019, follows:

	<u>Balance December 31, 2018</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance December 31, 2019</u>
Capital assets not being depreciated:				
Land	\$ 1,434,547	\$ -	\$ -	\$ 1,434,547
Construction in progress	<u>1,079,582</u>	<u>1,937,921</u>	<u>(498,459)</u>	<u>2,519,044</u>
Total capital assets not being depreciated	<u>2,514,129</u>	<u>1,937,921</u>	<u>(498,459)</u>	<u>3,953,591</u>
Capital assets being depreciated:				
Infrastructure	34,758,132	7,403,307	498,459	42,659,898
Building & improvements	772,035	11,749		783,784
Machinery & equipment	1,721,485	66,015		1,787,500
Office equipment / furniture	<u>77,007</u>	<u>10,110</u>	<u>-</u>	<u>87,117</u>
Total capital assets being depreciated	<u>37,328,659</u>	<u>7,491,181</u>	<u>498,459</u>	<u>45,318,299</u>
Less accumulated depreciation:				
Infrastructure	(3,960,082)	(843,229)	-	(4,803,311)
Building & improvements	(74,723)	(31,993)		(106,716)
Machinery & equipment	(1,052,109)	(107,837)		(1,159,946)
Office equipment/furniture	<u>(43,759)</u>	<u>(11,664)</u>	<u>-</u>	<u>(55,423)</u>
Total accumulated depreciation	<u>(5,130,673)</u>	<u>(994,723)</u>	<u>-</u>	<u>(6,125,396)</u>
Capital assets , net	<u>\$ 34,712,115</u>	<u>\$ 8,434,379</u>	<u>\$ -</u>	<u>\$ 43,146,494</u>

Depreciation expense for the year ended December 31, 2019 was \$994,723

NOTE 5: ACCOUNTS PAYABLE

The following is a summary of accounts payable and accruals at December 31, 2019:

Vendors	\$ 1,600,728
Due to other governments	173,193
Salaries and related benefits	<u>27,536</u>
Total Payables	<u>\$ 1,801,457</u>

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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 fiscal year 2019 was \$2,675,111. The total principal and interest remaining on the bonds is \$12,610,000 and \$4,603,699 respectively. Interest in the amount of \$447,019 was paid during the fiscal year ending December 31, 2019.

The annual requirements to amortize the bonds outstanding at December 31, 2019, are as follows:

	Principal	Interest	Total
2020	\$ 520,000	\$ 436,719	\$ 956,719
2021	530,000	423,569	953,569
2022	550,000	407,369	957,369
2023	565,000	390,644	955,644
2024	580,000	373,468	953,468
2025-2029	3,265,000	1,518,229	4,783,229
2030-2034	3,890,000	893,469	4,783,469
2035-2037	2,710,000	160,232	2,870,232
Sub-total	\$ 12,610,000	\$ 4,603,699	\$ 17,213,699
Unamortized Premium	162,941	NONE	181,833
Total	\$ 12,772,941	\$ 4,603,699	\$ 17,395,532

NOTE 7: PENSIONS

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7: PENSIONS (continued)

General Information about the Pension Plan

Plan Description

Employees of the North Lafourche Conservation, Levee and Drainage 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.

Benefits Provided

LASERS provides retirement, deferred retirement option ("DROP"), disability and survivor's benefits. 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 or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

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, 2019

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.

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

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

1. 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, 2019

NOTE 7: PENSIONS (continued)

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

2. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

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

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

3. 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.

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7: PENSIONS (continued)

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

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

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2019 for the various plans follow:

PLAN	PLAN STATUS	EMPLOYEE CONTRIBUTION RATE	EMPLOYER CONTRIBUTION RATE
Regular Employees:			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37.9%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	37.9%
Optional Retirement Plan (ORP)			
Pre Act (hired before 7/1/2006)	Closed	7.5%	37.9%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37.9%

The District's contractually required composite contribution rate for the year ended December 31, 2019 was 37.90% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$158,825 for the year ended December 31, 2019.

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

At December 31, 2019, the Employer reported a liability of \$1,572,581 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 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, 2019, the District's proportion was 0.02171%, which was an increase of .00331% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District recognized pension expense of \$158,825 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$212,900.

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7: PENSIONS (continued)

At December 31, 2019, 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	\$ 9,656	\$ 3,268
Changes of assumptions	13,475	-
Net difference between projected and actual earnings on pension plan investments	54,331	20,301
Changes in proportion and differences between employer contributions and proportionate share of contributions	150,089	6,785
Employer contributions subsequent to the measurement date	69,661	-
Total	<u>\$ 297,212</u>	<u>\$ 30,354</u>

\$69,661 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 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:

Year Ended	
2020	117,617
2021	48,274
2022	14,947
2023	20,365

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
 Expected Remaining Service Lives	2 years
 Investment Rate of Return	7.60% per annum, net of investment expenses*
 Inflation Rate	2.50% per annum
 Mortality	Non-disabled members - Mortality rates 2019 based on the RP-2014 Healthy Mortality Table with mortality improvement scale, applied on a fully generational basis. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.8%	13%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous-Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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

*The investment rate of return used in the actuarial valuation for funding purposes was 8.00%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.60%, which is the same as the discount rate. Therefore, we conclude that the 7.60% discount is reasonable.

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Expected Long Term Real Rates of Return</u>	
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic fixed income	2.79%
International fixed income	4.49%
Alternative investments	8.32%
Risk Parity	5.06%
Total Fund	6.09%

Discount Rate

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

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
	(6.60%)	(7.60%)	(8.60%)
Employer's Proportionate Share of Net Pension Liability	\$ 1,984,798	\$ 1,572,581	\$ 1,224,396

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019, the District had \$13,564 in payables to LASERS for the December 31, 2019 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, 2019. 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, 2019

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

<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, 2019, the District reported a liability of \$66,696 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2019 and was determined by an actuarial valuation as of that date.

The 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, 2019 the District's proportion was 0.0009% and the change in proportion from the prior measurement date was 0.0008% or an increase in 0.0001%.

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

- Actuarial Cost Method – Entry Age Normal, Level percentage of pay
- Estimated Remaining Service Lives – 4.5
- Inflation rate – Consumer Price Index (CPI) 2.80%
- Salary increase rate – consistent with the pension plan disclosed in note 7
- Discount rate – decreased from 2.98% to 2.79% based on S&P 20-year municipal bond index rate
- Mortality rates - updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018
- Healthcare cost trend rates - 7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth

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

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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

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 (1.79%)	Current Discount Rate (2.79%)	1.0% Increase (3.79%)
Proportionate Share of Total Collective OPEB Liability	\$ 78,861	\$ 66,696	\$ 56,953

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 (6% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7% decreasing to 4.5%)	1.0% Increase (8% decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	\$ 56,784	\$ 66,696	\$ 79,312

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

For the year ended, December 31, 2019, the District recognized OPEB expense of \$2,928. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ 807	\$ 10,981
Differences between benefit payments and proportionate share of benefit payments	13,834	3,839
Total	\$ 14,641	\$ 14,820

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

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

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, 2019. 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>	
2020	\$ 132
2021	(664)
2022	6
2023	706
	<u>\$ 180</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, 2019, employees of the District have accumulated and vested annual leave of \$38,932. 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 of the entity for the year ended December 31, 2019:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>
	<u>December 31, 2018</u>			<u>December 31, 2019</u>	<u>Due Within</u>
					<u>One Year</u>
Bonds Payable	\$ 13,292,387		\$ (519,446)	\$ 12,772,941	\$ 520,000
Compensated absences	35,723	16,062	(12,854)	38,931	-
Net Pension Liability	1,254,935	317,646		1,572,581	-
OPEB Payable	69,241		(2,545)	66,696	-
Total	<u>\$ 14,652,286</u>	<u>\$ 16,062</u>	<u>\$ (532,300)</u>	<u>\$ 14,451,149</u>	<u>\$ 520,000</u>

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11: LEVEE DISTRICT 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 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 2019.

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

NOTE 12: 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 13: COMMITMENTS

The District is involved in numerous construction and engineering contracts relating to capital projects and other operational engineering consulting. As of December 31, 2019, there were twenty-two commitments totaling \$8,406,781 of which Coastal Restoration Protection Authority (CPRA) has outstanding reimbursement commitments of \$4,110,765.

NOTE 14: 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 covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

NOTE 15: SUBSEQUENT EVENTS:

Management has evaluated events through June 23, 2020, the date which the financial statements were available for issue. Two significant contracts were awarded (1) on January 28, 2020 to Quest Construction Equipment in the amount of \$299,487 in regards to an Upper Unit Excavator for Wilco pontoons and (2) on February 18, 2020 to Byron E. Talbot Construction in the amount of \$1,888,470 in regards to US90 at Bayou Folsé project of which CPRA has made a reimbursement commitment of \$1,500,000.

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS – BUDGET AND ACTUAL**
 FOR THE YEAR ENDED DECEMBER 31, 2019

STATEMENT 1

	Budgeted Amounts		Actual Amounts	Variance Final Budget Postive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,180,000	\$ 6,639,000	\$ 6,631,451	\$ (7,549)
Capital grants and contributions	6,132,431	1,092,362	1,882,749	790,387
Timber	-	-	-	-
Surface lease rentals	36,158	72,250	72,112	(138)
Interest Income	44,826	120,211	123,194	2,983
Total revenues	12,393,415	7,923,823	8,709,506	785,683
EXPENDITURES				
General Government				
Personnel services and related benefits	717,680	780,935	642,472	138,463
Travel	36,225	35,075	37,167	(2,092)
Professional services	568,050	438,250	448,509	(10,259)
Repairs and maintenance	213,305	241,000	340,685	(99,685)
Operating services	607,349	654,866	818,079	(163,213)
Debt service payments:				
Principal payments	510,000	510,000	510,000	-
Interest payments	447,019	447,019	447,019	-
Capital outlay and levee maintenance	20,319,342	8,461,009	9,429,102	(968,093)
Total expenditures	23,418,970	11,568,154	12,673,033	(1,104,879)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(11,025,555)	(3,644,331)	(3,963,527)	(319,196)
FUND BALANCE				
BEGINNING OF YEAR	21,364,413	21,364,413	21,364,413	-
END OF YEAR	\$ 10,338,858	\$ 17,720,082	\$ 17,400,886	\$ (319,196)

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
 OF THE TOTAL COLLECTIVE OPEB LIABILITY**
 FOR THE FOUR 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%

*The amounts presented for each fiscal year were determined as of the measurement date (July1).

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Schedule 2)

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

Changes in assumptions –

In the valuation for 2017, the discount rate increased from 2.71% to 3.13%

In the valuation for 2018, the discount rate decreased from 3.13% to 2.98%

In the valuation for 2019, the discount rate decreased from 2.98% to 2.79%

Change in population –

There were no changes in the census data regarding participating employees.

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

STATEMENT 3

<u>Year*</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension liability</u>	<u>Employer's covered- employee payroll</u>	<u>Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Louisiana State Employees' 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%

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

STATE OF LOUISIANA
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION
FOR THE FIVE 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 Employees' Retirement System					
2015	\$93,229	\$93,229	\$0	\$251,281	37.1%
2016	\$96,602	\$96,602	\$0	\$264,788	36.5%
2017	\$124,781	\$124,781	\$0	\$338,486	36.9%
2018	\$134,232	\$134,232	\$0	\$342,080	39.2%
2019	\$158,825	\$158,825	\$0	\$431,753	36.8%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2019

SCHEDULE OF EMPLOYER'S SHARE OF THE NET PENSION LIABILITY (Statement 3)

This schedule reflects the participation of the District's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability.

SCHEDULE OF EMPLOYER'S CONTRIBUTION (Statement 4)

This schedule represents the employer's contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

Changes of Benefit Terms include:

- 1.5% COLA, effective July 1, 2014, provided by Acts 102 and the 2014 Louisiana Regular Legislative Session, and
- 1.5% COLA, 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
- 2018 No Change identified in the 2018 RSI Template, GASB 68 Note B, LASERS CAFR Note A, & Actuarial Valuation. No addition disclosure required
- 2019 No change identified.

Changes of Assumptions Include:

There were several changes in assumptions for the June 30, 2017 valuation. The Board adopted a plan to gradually reduced the discount rate from 7.75% to 7.50% in 0.50% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increased assumptions decreased by .25%. In addition, the projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

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, 2019

Commissioners	2019
Timothy Allen	\$ 750.00
Louis Andolsek	975.00
Rodney Foret	825.00
Percy Gasery	225.00
Cory Kief *	-
Darcy Kiffe	825.00
Kenney Matheme	975.00
Adley Peltier	825.00
Elmo Jay Pitre	750.00
Robert Bob Pitre	675.00
Shawn Preston **	-
Susan Testroet-Bergeron *	-
Joni Tuck	450.00
	\$ 7,275.00

* Corey Kief & Susan Testroet-Bergeron declines per diem payments.

** Shawn Preston resigned in January 2019

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. Commissioners, as authorized by R.S. 38:308 and Act 423 of 2015 Legislative Session, are allowed the maximum per diem rate for levee board members to be seventy-five percent of the Federal per diem based on rates allowed for particular areas (changing year to year by region). However, in 2016 the board members voted unanimously to remain at the \$75 per meeting day. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem

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, 2019

AGENCY HEAD: Dwayne Bourgeois, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 172,913
Benefits-Insurance	18,497
Benefits - Retirement	71,741
Deferred compensation	-
Car allowance	9,600
Cell phone	1,315
Dues	-
Registration fees	1,665
Conference travel	1,737
Total	<u>\$ 277,468</u>

OTHER REPORTS OF 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
State of Louisiana
Raceland, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of American 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-type activities, and General Fund of the North Lafourche Conservation, Levee and Drainage District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 23, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal controls.

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 District'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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that I have not identified.

4865 Ihles Rd, Ste 6 Lake Charles PO Box 793 Accounting, Audit, Tax & Forensic
Lenora@My-CPAteam.com Jennings, LA 70546 www.My-CPAteam.com
• 337-278-5144 •

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests did not disclose any 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lenora B Krielow

Certified Public Accountant

Jennings, Louisiana
June 23, 2020



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

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

Compliance

I have audited the compliance of North Lafourche Conservation, Levee and Drainage District, (the "District") a component unit of the State of Louisiana with the types of compliance requirements described 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, 2019. The District's major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on the compliance for the District's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my 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* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

I believe my audit provides a reasonable basis for my opinion on compliance for the major federal program. However, my audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In my opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

4865 Ihles Rd, Ste 6 Lake Charles
Lenora@My-CPAteam.com

PO Box 793
Jennings, LA 70546
• 337-278-5144 •

Accounting, Audit, Tax & Forensic
www.My-CPAteam.com

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Lenora B Kriekow

Certified Public Accountant

Jennings, Louisiana
June 23, 2020

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

<i>Federal Grantor / Pass Through Grantor / Program Title</i>	<i>CPRA Project No.</i>	<i>Federal CFDA number</i>	<i>Total federal expenditures</i>
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)			
40 Arpent Canal, Levee-Lockport Co. Canal to Butch Hill Station	TE-0148		\$ 1,099,740
Gheens Levee Improvement	BA-0218		291,083
Total U.S. Department of Interior			<u><u>\$ 1,390,823</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2019

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, 2019. 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: NON-CASH ASSISTANCE

No Federal awards were expended in the form of non-cash assistance during the fiscal year.

NOTE 5: FINDINGS OF NONCOMPLIANCE

There were no Federal award findings or questioned cost reported during the audit for the year ended December 31, 2019

STATE OF LOUISIANA
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COST
 FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

1. Type of auditor's report issued: **unmodified**
2. Internal control over financial reporting
 - Material weakness(es) identified? **NO**
 - Significant Deficiency(ies) identified that are not considered to be a material weakness? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

FEDERAL AWARDS

1. Internal control over major programs
 - Material weakness(es) identified? **NO**
 - Significant Deficiency(ies) identified that are not considered to be a material weakness? **NONE REPORTED**
2. Type of auditor's report issued on compliance for major programs: **unqualified**
 - Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? **NO**

3. Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
15.435	Gulf of Mexico Energy Security Act (GOMESA) - Passed through from CPRA

Dollar threshold used to distinguish between
 Type A and Type B programs: **\$750,000**

Auditee qualified as a low-risk auditee? **NO**

MANAGEMENT LETTER: No management letter issued

SECTION II – FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

Current Year Findings: **NONE**
 Prior Year Findings: **NONE**

COMPLIANCE AND OTHER MATTERS

Current Year Findings: **NONE**
 Prior Year Findings: **NONE**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

There were no Federal award findings or questioned cost reported during the audit for the year ended December 31, 2019

There were no Federal awards for the year ended December 31, 2018