

Financial Report

Terrebonne Levee and Conservation District

Houma, Louisiana

June 30, 2023



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TABLE OF CONTENTS

Terrebonne Levee and Conservation District Houma, Louisiana

For the year ended June 30, 2023

	<u>Exhibits</u>	<u>Page Numbers</u>
Financial Section		
Independent Auditor's Report		1 - 4
Management's Discussion and Analysis		5 - 13
Basic Financial Statements:		
Government-Wide and Fund Financial Statements:		
Statement of Net Position and Governmental Fund Balance Sheet	A	14
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	B	15
Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	C	16 - 17
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	D	18
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	E	19 - 20
Notes to Financial Statements	F	21 - 51
Required Supplementary Information		
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	G	52
Schedule of the District's Proportionate Share of the Net Pension Liability	H	53
Schedule of District Contributions	I	54

TABLE OF CONTENTS
(Continued)

	<u>Schedules</u>	<u>Page Numbers</u>
Supplementary Information		
Schedule of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Morganza to the Gulf Fund	1	55 - 56
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	2	57
Special Reports of Certified Public Accountants		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		58 - 59
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		60 - 62
Schedule of Expenditures of Federal Awards	3	63
Notes to Schedule of Expenditures of Federal Awards		64 - 65
Schedule of Findings and Questioned Costs		66 - 67
Reports by Management		
Schedule of Prior Year Findings and Questioned Costs		68
Management's Corrective Action Plan		69
Statewide Agreed-Upon Procedures		
Independent Accountant's Report on Applying Agreed-Upon Procedures		70 - 71
Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	4	72 - 89

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Commissioners,
Terrebonne Levee and Conservation District,
Houma, Louisiana.

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Levee and Conservation District (the “District”), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2023 and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of District Contributions on pages 5 through 13, and 52 through 54, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Morganza to the Gulf Fund, and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on pages 55 through 57 are presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, on page 63 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023 on our consideration of Terrebonne Levee and Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 11, 2023.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Terrebonne Levee and Conservation District Houma, Louisiana

June 30, 2023

Management’s Discussion and Analysis of the Terrebonne Levee and Conservation District’s (the “District”) financial performance presents a narrative overview and analysis of the District’s financial activities for the year ended June 30, 2023. This document focuses on the current year’s activities, resulting changes and currently known facts. Please read this document in conjunction with the additional information contained in the District’s financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The District’s assets exceeded its liabilities at the close of fiscal year 2023 by \$425,074,173 (net position), which represents a 2.8% increase from last fiscal year.
- The District’s capital asset additions included approximately \$43,200,000 of levees, floodwalls, and other hurricane protection assets.
- The District’s revenue decreased \$4,467,665 or 9.9% due primarily to decreases in reimbursement grants from the State of Louisiana and decreases in proceeds from the RESTORE Act to fund the construction of Phase 1 of the Houma Navigational Canal Lock. The District also recognized less revenue from the Federal Emergency Management Agency (FEMA) for disaster mitigation and recovery.
- The District’s total expenses decreased \$13,346,545 or 32.7% due primarily to increased expenditures in the prior year resulting from Hurricane Ida damages.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s annual report consists of four parts: (1) management’s discussion and analysis, (2) basic financial statements, (3) supplementary information, and (4) various governmental internal control and compliance reports and schedules by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The basic financial statements include two kinds of statements that present different views of the District:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during the fiscal year 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is public safety (hurricane and flood protection). The government-wide financial statements can be found on pages 14 through 18 of this report.

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. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

The District maintains three individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Morganza to the Gulf Fund and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund and, although not legally required, Morganza to the Gulf and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 14 through 20 of this report. A budgetary comparison statement for the Morganza to the Gulf Fund has been provided in the Supplementary Information section of this report.

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. The notes to the financial statements can be found on pages 21 through 51 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. For fiscal year ended June 30, 2023, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$425,074,173. By far, the largest portion of the District's net position \$420,358,009 (98.89%) reflects its net investment in capital assets (e.g., land, building, equipment, hurricane and flood protection). The District uses these capital assets to provide hurricane and flood protection to the citizens of Terrebonne Parish. Consequently, these assets are not available for future spending. Unrestricted net position amounted to \$4,716,164.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Condensed Statements of Net Position**

	June 30,		Dollar Change	Total % Change
	<u>2023</u>	<u>2022</u>		
Current and other assets	\$ 20,852,413	\$ 27,357,696	\$ (6,505,283)	-23.8%
Capital assets	544,441,695	518,580,392	25,861,303	5.0%
Total assets	<u>565,294,108</u>	<u>545,938,088</u>	<u>19,356,020</u>	3.5%
Deferred outflow of resources	<u>10,560,926</u>	<u>11,035,051</u>	<u>(474,125)</u>	-4.3%
Total assets and deferred outflows of resources	<u>575,855,034</u>	<u>556,973,139</u>	<u>18,881,895</u>	3.4%
Long-term liabilities outstanding	130,653,923	127,580,052	3,073,871	2.4%
Other liabilities	16,504,541	11,303,991	5,200,550	46.0%
Total liabilities	<u>147,158,464</u>	<u>138,884,043</u>	<u>8,274,421</u>	6.0%
Deferred inflow of resources	<u>3,622,397</u>	<u>4,683,460</u>	<u>(1,061,063)</u>	-22.7%
Total liabilities and deferred inflows of resources	<u>150,780,861</u>	<u>143,567,503</u>	<u>7,213,358</u>	5.0%
Net position:				
Net investment capital assets	420,358,009	396,002,625	24,355,384	6.2%
Restricted	-	8,967,542	(8,967,542)	-100.0%
Unrestricted	4,716,164	8,435,469	(3,719,305)	-44.1%
Total net position	<u>\$425,074,173</u>	<u>\$413,405,636</u>	<u>\$11,668,537</u>	2.8%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities increased the net position by \$13,438,502. Key elements of this increase are as follows:

Condensed Statements of Changes in Net Position

	<u>June 30,</u>		<u>Dollar</u>	<u>Total %</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Change</u>
Revenues:				
Taxes	\$ 19,529,208	\$ 19,831,844	\$ (302,636)	-1.5%
Intergovernmental:				
Federal:				
FEMA	1,543,222	2,756,583	(1,213,361)	-44.0%
GOMESA	2,000,000	-	2,000,000	100.0%
RESTORE	4,901,935	7,379,435	(2,477,500)	-33.6%
State of Louisiana:				
State revenue sharing	116,888	122,561	(5,673)	-4.6%
State reimbursement grants	9,730,905	12,332,787	(2,601,882)	-21.1%
Terrebonne Parish				
Consolidated Government	2,673,558	2,448,583	224,975	9.2%
Miscellaneous:				
Investment income	104,208	73,112	31,096	42.5%
Gain on disposition of assets	12,000	72,922	(60,922)	-83.5%
Other	28,438	90,200	(61,762)	-68.5%
	<u>40,640,362</u>	<u>45,108,027</u>	<u>(4,467,665)</u>	<u>-9.9%</u>
Expenses:				
Current:				
General government	307,520	212,249	95,271	44.9%
Public safety	23,340,475	37,149,174	(13,808,699)	-37.2%
Debt service	3,777,392	3,410,509	366,883	10.8%
	<u>27,425,387</u>	<u>40,771,932</u>	<u>(13,346,545)</u>	<u>-32.7%</u>
Other Financing Sources:				
Insurance proceeds	<u>223,527</u>	<u>-</u>	<u>223,527</u>	<u>100.0%</u>
Increase in net position	13,438,502	4,336,095	9,102,407	209.9%
Net position beginning of year	411,635,671	409,069,541	2,566,130	0.6%
Restatement	-	(1,769,965)	1,769,965	-100.0%
Net position beginning of year, as restated	<u>411,635,671</u>	<u>407,299,576</u>	<u>4,336,095</u>	<u>1.1%</u>
Net position end of year	<u>\$425,074,173</u>	<u>\$411,635,671</u>	<u>\$11,668,537</u>	<u>2.8%</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

As noted earlier, the District's revenue decreased by \$4,467,665 or 9.9%. The decrease in revenues resulted from decreases of \$2,535,585 in state reimbursement grants received and \$2,477,500 of federal grant funds received from the Gulf Coast Ecosystem Restoration Council as a result of the Gulf Coast Ecosystem Restoration Council Oil Spill Impact program to fund the construction of Phase I of the Houma Navigational Canal Lock.

Total expenses decreased by \$13,346,545 or 32.7%. Public safety expenses primarily accounted for the decrease. Within the public safety category, the decrease was primarily due to the District recognizing a loss on impairment of assets of \$15,378,738 resulting from damage incurred due to Hurricane Ida in the prior year. No such impairment incurred in the current year. Additionally, depreciation expense increased \$1,202,515 or 7.16%. These decreases in expenses were partially offset by increases in personal services and repairs and maintenance.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,138,887 a decrease of \$9,808,132 in comparison with the prior year. The unassigned fund balance (deficit) is \$(3,317,344) and \$5,456,229 of fund balance is restricted to indicate that it is not available for discretionary spending because it has already been restricted for debt service.

Budgetary Highlights

Major differences between the original General Fund budget and the final amended General Fund budget were as follows:

Revenues

- Decrease of \$1,000,000 in reimbursement grants due to original anticipation of funds expected to be received in the current year which did not occur.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**Budgetary Highlights (Continued)**

Expenditures

- Decrease of \$970,418 in disaster recovery to reflect anticipated payments in response to declared disasters.
- Increase of \$462,421 in insurance to reflect actual coverage needs.
- Decrease of \$1,348,614 in capital outlay to reflect actual asset purchases and active project expenses.

During the year, actual General Fund revenues were less than budgeted revenues and budgeted expenditures exceeded actual expenditures. While not legally required to do so, the District prepares an annual budget for the Morganza to the Gulf Capital Projects Fund. During the year anticipated capital outlay on the Morganza to the Gulf Hurricane Protection Project was less than anticipated and resulted in budget decreases in capital expenditures of \$126,551,327. Also, capital grant revenues from the state decreased by \$29,428,827 with the anticipation of less grants to be received from the Louisiana Coastal Protection and Restoration Authority. The District decreased its budgeted intergovernmental revenues from federal sources by \$96,636,431 to reflect anticipated funds received from the Federal Emergency Management Agency and less anticipated funds received from the Gulf Coast Ecosystem Restoration Council as a result of the Gulf Coast Ecosystem Restoration Council Oil Spill Impact program. For the year ended June 30, 2023, capital project fund actual revenues and expenditures were less than the related budgeted amounts.

CAPITAL ASSETS

The District's net investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$544,441,695 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, and hurricane and flood protection.

	<u>June 30,</u>		<u>Dollar Change</u>	<u>Total % Change</u>
	<u>2023</u>	<u>2022</u>		
Land	\$ 537,961	\$ 121,461	\$ 416,500	342.9%
Construction in progress	37,124	-	37,124	100.0%
Building	444,115	449,365	(5,250)	-1.2%
Equipment	1,451,714	1,596,091	(144,377)	-9.0%
Hurricane and flood protection	541,970,781	516,413,475	25,557,306	4.9%
Totals	<u>\$544,441,695</u>	<u>\$518,580,392</u>	<u>\$25,861,303</u>	5.0%

CAPITAL ASSETS (Continued)

Major capital asset events during the current fiscal year included the following:

- Construction and substantial upgrades on the following: Morganza to the Gulf Reaches and projects: Lower Bayou Dularge East Levee Rehabilitation, HNC Lock Complex Project TE-113 Phase I, Bayou Petit Caillou Floodgate, Reach L Segment 1, Reach H2/H3 Levee Emergency Repair, H2 Levee Emergency Repair, Reach E Levee Rehab Segments 1/2 and other projects.
- Engineering, design, and real estate acquisition associated with the various features of the Morganza to the Gulf Hurricane Protection Project.
- Purchase of property at 6447 Bayouside Dr.
- Purchase of a 2023 Dodge Ram 3500 and two 2022 Dodge Ram 1500 vehicles.
- Disposal of 2008 Dodge Ram 1500.
- Disposal of New Holland Tractor.

Additional information on the District's capital assets can be found in Note 6 to the financial statements.

LONG-TERM OBLIGATIONS

On January 1, 2023, the District issued \$7,000,000 of Hurricane Recovery Revenue Bonds, Series 2022, in addition to the original \$19,495,000 issued in the prior year, for the purpose of paying costs of debris removal or the demolition, rehabilitation, repair, reconstruction, renovation, restoration and improvement of the District's facilities resulting from or related to Hurricane Ida, including purchasing any furnishings, fixtures and equipment incidental or necessary in connection therewith, and related expenses including the costs of issuance of the bonds.

On August 24, 2022, the District entered into a lease with Southland Truck Leasing, L.L.C. for a tandem-axle tractor. The total lease liability for the District as of June 30, 2023 is \$259,342.

The District recognized a net pension liability of \$4,159,597 as its proportionate share of the unfunded pension liability of the Louisiana State Employees Retirement System. Also, the District has \$1,749,864 in obligations for its other postemployment benefits. More detailed information about the District's long-term obligations is presented in Note 9, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Directors of the District considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted in the General Fund represents the estimated amount of the November 2023 assessment, which the District will receive, for the most part, in January and February 2024.
- In the Morganza to the Gulf Fund the District anticipates receiving \$5,600,000 in ½% sales taxes, \$2,000,000 in drawdowns of ¼% sales tax collected by the Terrebonne Parish Consolidated Government, and various state funding of approximately \$93,950,000 and federal funding of approximately \$16,257,000.
- The District expects to spend approximately \$114,000,000 in capital expenditures on Morganza to the Gulf Hurricane Protection Project.
- The District expects to spend \$6,000,000 in operations and maintenance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Levee and Conservation District, 220 Clendenning Rd., Ste. A, Houma, LA 70363-5413.

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Levee and Conservation District**
Houma, Louisiana

June 30, 2023

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
Assets						
Cash and cash equivalents	\$ 4,717,003	\$ 2,320,874	\$ 2	\$ 7,037,879	\$ -	\$ 7,037,879
Receivables:						
Ad valorem tax	134,076	-	-	134,076	-	134,076
Sales and use tax	-	1,283,935	-	1,283,935	-	1,283,935
Other	-	-	-	-	10,582	10,582
Due from other funds	16,263	-	-	16,263	(16,263)	-
Due from other governmental units	-	10,790,673	-	10,790,673	-	10,790,673
Security deposits	305	-	-	305	-	305
Prepaid insurance	322,205	-	-	322,205	-	322,205
Investments	-	1,021,785	-	1,021,785	-	1,021,785
Lease right-of-use asset	-	-	-	-	250,973	250,973
Capital assets:						
Non-depreciable	-	-	-	-	575,085	575,085
Depreciable, net of accumulated depreciation	-	-	-	-	543,866,610	543,866,610
Total assets	<u>5,189,852</u>	<u>15,417,267</u>	<u>2</u>	<u>20,607,121</u>	<u>544,686,987</u>	<u>565,294,108</u>
Deferred Outflows of Resources						
Deferred refunding on bonds	-	-	-	-	8,049,087	8,049,087
Other postemployment benefits	-	-	-	-	616,214	616,214
Pensions	-	-	-	-	1,895,625	1,895,625
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,560,926</u>	<u>10,560,926</u>
Total assets and deferred outflows of resources	<u>\$ 5,189,852</u>	<u>\$ 15,417,267</u>	<u>\$ 2</u>	<u>\$ 20,607,121</u>	<u>555,247,913</u>	<u>575,855,034</u>
Liabilities						
Accounts payables and accrued expenditures	\$ 47,308	\$ 9,735,300	\$ -	\$ 9,782,608	556,229	10,338,837
Liability for work completed on contracts	-	2,248,114	-	2,248,114	-	2,248,114
Due to other funds	-	16,263	-	16,263	(16,263)	-
Due to other governments	500,000	3,417,590	-	3,917,590	-	3,917,590
Non-current liabilities:						
Due within one year	-	-	-	-	5,388,930	5,388,930
Due after one year	-	-	-	-	125,264,993	125,264,993
Total liabilities	<u>547,308</u>	<u>15,417,267</u>	<u>-</u>	<u>15,964,575</u>	<u>131,193,889</u>	<u>147,158,464</u>
Deferred Inflows of Resources						
Ad valorem	2,503,659	-	-	2,503,659	-	2,503,659
Other postemployment benefits	-	-	-	-	1,118,738	1,118,738
Total deferred inflows of resources	<u>2,503,659</u>	<u>-</u>	<u>-</u>	<u>2,503,659</u>	<u>1,118,738</u>	<u>3,622,397</u>
Total liabilities and deferred inflows of resources	<u>3,050,967</u>	<u>15,417,267</u>	<u>-</u>	<u>18,468,234</u>	<u>132,312,627</u>	<u>150,780,861</u>
Fund Balances/Net Position						
Fund balances:						
Restricted-debt service	5,456,229	-	2	5,456,231	(5,456,231)	-
Unassigned	(3,317,344)	-	-	(3,317,344)	3,317,344	-
Total fund balances	<u>2,138,885</u>	<u>-</u>	<u>2</u>	<u>2,138,887</u>	<u>(2,138,887)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,189,852</u>	<u>\$ 15,417,267</u>	<u>\$ 2</u>	<u>\$ 20,607,121</u>		
Net position:						
Net investment in capital assets					420,358,009	420,358,009
Unrestricted					4,716,164	4,716,164
Total net position					<u>\$ 425,074,173</u>	<u>\$ 425,074,173</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Terrebonne Levee and Conservation District
Houma, Louisiana

June 30, 2023

Fund Balances - Governmental Fund		\$ 2,138,887
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 703,580,636	
Less accumulated depreciation	<u>(159,138,941)</u>	544,441,695
Long-term assets are not financial resources and, therefore, are not reported in the governmental fund.		
Lease right-of-use asset	410,209	
Less accumulated amortization	<u>(159,236)</u>	250,973
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
		10,560,926
Other assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Accrued interest receivable		10,582
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest expense	(556,229)	
Lease liability	(259,342)	
Bonds payable/unamortized bond premium	(124,334,658)	
Other postemployment benefit obligation	(1,749,864)	
Net pension liability	(4,159,597)	
Compensated absences payable	<u>(150,462)</u>	(131,210,152)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		
		<u>(1,118,738)</u>
Net Position of Governmental Activities		<u><u>\$ 425,074,173</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

**Terrebonne Levee and Conservation District
Houma, Louisiana**

For the year ended June 30, 2023

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Revenues						
Taxes:						
Ad valorem	\$ 4,975,591	\$ -	\$ -	\$ 4,975,591	\$ -	\$ 4,975,591
Sales and use	-	14,553,617	-	14,553,617	-	14,553,617
Intergovernmental:						
Federal:						
FEMA	-	1,543,222	-	1,543,222	-	1,543,222
GOMESA	-	2,000,000	-	2,000,000	-	2,000,000
RESTORE	-	4,901,935	-	4,901,935	-	4,901,935
State of Louisiana:						
State revenue sharing	116,888	-	-	116,888	-	116,888
State reimbursement grants	-	9,730,905	-	9,730,905	-	9,730,905
Terrebonne Parish:						
Consolidated government:						
Sales tax	-	2,673,558	-	2,673,558	-	2,673,558
Miscellaneous:						
Investment earnings	107,763	45,817	-	153,580	(49,372)	104,208
Gain on disposition of assets	-	-	-	-	12,000	12,000
Other	6,203	22,235	-	28,438	-	28,438
Total revenues	<u>5,206,445</u>	<u>35,471,289</u>	<u>-</u>	<u>40,677,734</u>	<u>(37,372)</u>	<u>40,640,362</u>
Expenditures/Expenses						
Current:						
General government:						
Ad valorem tax adjustment	142,040	-	-	142,040	-	142,040
Ad valorem tax deductions	165,480	-	-	165,480	-	165,480
Total general government	<u>307,520</u>	<u>-</u>	<u>-</u>	<u>307,520</u>	<u>-</u>	<u>307,520</u>
Public safety:						
Personal services:						
Salaries and related benefits	2,628,093	-	-	2,628,093	(30,716)	2,597,377
Supplies and materials:						
Office and shop supplies	65,462	-	-	65,462	-	65,462
Fuel for heavy equipment	161,982	-	-	161,982	-	161,982
Other services and charges:						
Disaster recovery	20,218	106,444	-	126,662	-	126,662
Insurance	263,381	-	-	263,381	-	263,381
Occupancy	96,694	6,181	-	102,875	-	102,875
Professional services	109,689	511,959	-	621,648	-	621,648
Travel and meals	17,728	-	-	17,728	-	17,728
Miscellaneous and other	67,610	152,383	-	219,993	-	219,993
Repairs and maintenance	472,802	597,477	-	1,070,279	-	1,070,279
Depreciation	-	-	-	-	17,989,005	17,989,005
Amortization	-	-	-	-	104,083	104,083
Total public safety	<u>3,903,659</u>	<u>1,374,444</u>	<u>-</u>	<u>5,278,103</u>	<u>18,062,372</u>	<u>23,340,475</u>

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Expenditures/Expenses (Continued)						
Debt service:						
Bond issuance costs	-	8,495	-	8,495	-	8,495
Principal payments	-	100,160	4,850,000	4,950,160	(4,950,160)	-
Interest payments	-	13,213	3,313,594	3,326,807	442,090	3,768,897
Total debt service	-	121,868	8,163,594	8,285,462	(4,508,070)	3,777,392
Capital outlay:						
General operations	676,148	-	-	676,148	(676,148)	-
Hurricane and flood protection	18,000	43,156,160	-	43,174,160	(43,174,160)	-
Lease	-	73,471	-	73,471	(73,471)	-
Total capital outlay	694,148	43,229,631	-	43,923,779	(43,923,779)	-
Total expenditures/ expenses	4,905,327	44,725,943	8,163,594	57,794,864	(30,369,477)	27,425,387
Excess (Deficiency) of Revenues Over Expenditures	301,118	(9,254,654)	(8,163,594)	(17,117,130)	30,332,105	13,214,975
Other Financing Sources (Uses)						
Insurance proceeds	17,469	206,058	-	223,527	-	223,527
Proceeds from sale of capital assets	12,000	-	-	12,000	(12,000)	-
Bond proceeds	-	7,000,000	-	7,000,000	(7,000,000)	-
Lease	-	73,471	-	73,471	(73,471)	-
Transfers in	-	-	8,163,596	8,163,596	(8,163,596)	-
Transfers out	(2,941,142)	(5,222,454)	-	(8,163,596)	8,163,596	-
Total other financing sources	(2,911,673)	2,057,075	8,163,596	7,308,998	(7,085,471)	223,527
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(2,610,555)	(7,197,579)	2	(9,808,132)	9,808,132	-
Change in Net Position	-	-	-	-	13,438,502	13,438,502
Fund Balances/Net Position						
Beginning of year, as restated	4,749,440	7,197,579	-	11,947,019	399,688,652	411,635,671
End of year	\$ 2,138,885	\$ -	\$ 2	\$ 2,138,887	\$ 422,935,286	\$ 425,074,173

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2023

Net Change in Fund Balances - Governmental Fund		\$ (9,808,132)
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 is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 43,850,308	
Depreciation expense	<u>(17,989,005)</u>	
Excess of capital outlay over depreciation expense		25,861,303
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, donations and leases is to decrease net position.		
Capital outlay - lease	73,471	
Lease proceeds	(73,471)	
Amortization expense - lease	<u>(104,083)</u>	(104,083)
Some revenues report in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		
Decrease in accrued interest revenue		(49,372)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal payments	4,850,000	
Principal payments - lease	100,160	
Bond proceeds	<u>(7,000,000)</u>	(2,049,840)
Some expenses 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.		
Amortization of bond premiums	393,108	
Amortization of deferred outflows of resources-bonds	(700,661)	
Accrued interest expense	(134,537)	
Other postemployment benefits	108,812	
Pension expense	(70,439)	
Compensated absences	<u>(7,657)</u>	<u>(411,374)</u>
Change in Net Position of Governmental Activities		<u>\$ 13,438,502</u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes-ad valorem	\$ 5,057,520	\$ 5,116,223	\$ 4,975,591	\$ (140,632)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	125,000	76,424	116,888	40,464
Reimbursement grants	1,000,000	-	-	-
Miscellaneous:				
Investment earnings	4,000	99,122	107,763	8,641
Other	20,000	42,039	6,203	(35,836)
Total revenues	<u>6,206,520</u>	<u>5,333,808</u>	<u>5,206,445</u>	<u>(127,363)</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	142,040	142,040	142,040	-
Ad valorem tax deductions	165,480	165,480	165,480	-
Total general government	<u>307,520</u>	<u>307,520</u>	<u>307,520</u>	<u>-</u>
Public safety:				
Personal services:				
Salaries and related benefits	2,625,000	2,646,000	2,628,093	17,907
Supplies and materials:				
Office and shop supplies	48,000	65,476	65,462	14
Fuel for heavy equipment	225,000	168,371	161,982	6,389
Other services and charges:				
Disaster recovery	1,000,000	29,582	20,218	9,364
Insurance	147,000	609,421	263,381	346,040
Occupancy	83,000	96,510	96,694	(184)
Professional services	115,000	129,336	109,689	19,647
Travel and meals	20,000	17,742	17,728	14
Miscellaneous and other	120,000	57,327	67,610	(10,283)
Repairs and maintenance	587,000	499,246	472,802	26,444
Total public safety	<u>4,970,000</u>	<u>4,319,011</u>	<u>3,903,659</u>	<u>415,352</u>

**Exhibit E
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued)				
Capital outlay:				
General operations	1,571,500	698,994	676,148	22,846
Hurricane and flood protection	667,912	191,804	18,000	173,804
Total capital outlay	2,239,412	890,798	694,148	196,650
Total expenditures	7,516,932	5,517,329	4,905,327	612,002
Deficit of Revenues Over Expenditures	(1,310,412)	(183,521)	301,118	484,639
Other Financing Sources				
Insurance proceeds	-	334,124	17,469	316,655
Proceeds from sale of capital assets	-	-	12,000	(12,000)
Transfers out	-	-	(2,941,142)	(2,941,142)
Total other financing sources	-	334,124	(2,911,673)	(2,636,487)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures	(1,310,412)	150,603	(2,610,555)	(2,151,848)
Fund Balance				
Beginning of year	4,075,150	4,749,440	4,749,440	-
End of year	\$ 2,764,738	\$ 4,900,043	\$ 2,138,885	\$ (2,151,848)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Levee and Conservation District
Houma, Louisiana**

June 30, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Terrebonne Levee and Conservation District (the “District”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District was created on July 1, 1997 by enactment of House Bill No. 1396 Regular Session, as a political subdivision of the State of Louisiana (the “State”). The District consists of all lands in Terrebonne Parish. The management and control of the District is vested in a Board of Directors (the “Board”) appointed by the Governor from a list of nominees submitted by local state legislators, local government officials and civic groups. In addition to any other powers and duties provided by law, the primary duty of the Board shall be to establish, construct, operate and maintain flood control works as they relate to hurricane protection, tidewater flooding, saltwater intrusion and conservation. The Board has the authority to issue bonds and levy sales tax and ad valorem taxes on all property within the District.

The Governor is responsible for appointing the District’s Board of Directors, but the State’s accountability for the District is limited to making these appointments. The District is legally separate and fiscally independent of the State.

Because of fiscal interdependency the District is a component unit of the Terrebonne Parish Consolidated Government (“Parish”) and as such, these financial statements will be included in the annual comprehensive financial report of the Parish for the year ended December 31, 2023.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

GASB No. 14, The Financial Reporting Entity, GASB No. 39, Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement 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.

The District has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

b) Basis of Presentation

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).

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements:

The fund financial statements place emphasis on the major funds in governmental categories. The daily accounts and operations of the District are organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operation of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Governmental resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following are the governmental funds of the District:

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.

Morganza to the Gulf Fund - The Morganza to the Gulf Fund is used to account for and report the proceeds from bonds, drawdowns of a dedicated ¼% sales tax from the Parish, a dedicated ½% sales tax levied by the District, and expenditures for the Morganza to the Gulf Hurricane Protection Project. The purpose of the Morganza to the Gulf Fund is for the construction and maintenance of a hurricane protection system. Sales tax and drawdowns from the Parish are legally restricted to expenditures for the Morganza to the Gulf Hurricane Protection Project. The Morganza to the Gulf Fund is a capital projects fund and is reported as 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, interest and related costs. The Debt Service Fund is reported as a major fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and the related state revenue sharing (intergovernmental revenue) are recognized in the year for which they are levied. Ad valorem tax adjustments and deductions are recognized as expenses for the year in which the related property tax revenue is recognized.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds' present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Non-exchange transactions, in which the District receives value without giving value in return, include sales tax, property tax and grants. Grant revenue from the Federal government, the State of Louisiana and Terrebonne Parish Consolidated Government, is recognized in the fiscal year in which all eligibility requirements have been satisfied. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recorded as revenue in the period for which it is levied. Thus, the 2022 property taxes which are being levied to finance expenditures for the 2023 calendar year will be recognized, as revenue in the calendar year ending December 31, 2023. Accordingly, approximately one half of the 2022 tax levy is recorded as deferred inflows of resources in the General Fund as of June 30, 2023. Ad valorem tax adjustments represent unpaid taxes that are recognized as general government expenditures when the related tax levy is recognized as revenue. Ad valorem tax

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements: (Continued)

deductions represent withheld amounts to fund expenditures of the Terrebonne Parish Assessor and are also recognized as general government expenditures when the related tax revenue is recognized. Sales and use taxes are considered “measurable” when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Miscellaneous revenues are recorded as revenues when received in cash by the District or an intermediary collecting agency because they are generally not measurable or available until actually received.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due and (2) claims and judgments, compensated absences and other postemployment benefits are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board adopted a budget for the District’s General Fund. The Board also adopted an annual budget for its capital projects fund, Morganza to the Gulf, and Debt Service Fund. 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. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budgets once during the year ended June 30, 2023. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The budget practices of the District are subject to the provisions of R.S. 38:318.

The General Fund, Morganza to the Gulf and Debt Service Fund budgets are adopted on the modified accrual basis.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and disallowed costs due from grants are recognized as reductions in revenue at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost. Construction costs for hurricane and flood protection systems are included in capital assets being depreciated as liabilities for those costs are incurred. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Hurricane protection infrastructure	40 years
Building	40 years
Equipment, furniture, and fixtures	5 - 20 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) 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 (revenue) until then.

i) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of revenue bonds, public improvement bonds, accrued compensated absences - annual leave, other postemployment benefits and net pension liability.

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. Obligation proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. Expenses for compensated absences, other postemployment benefits and retirement are recognized when the obligation for payment is incurred.

j) 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Compensated Absences (Continued)

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*, no compensated absences liability is recorded as of June 30, 2023 in the governmental fund-type financial statements.

k) Other Postemployment Benefits

GASB No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement. The District has recorded liabilities for postemployment health care and life insurance benefits as of June 30, 2023.

In the government-wide financial statements the other postemployment benefits liability is recorded as long-term obligations.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefits payments due and payable as of the end of the year.

l) 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Interfund Transactions

In the governmental fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent permanent reallocation of resources between funds. In other words, they are not expected to be repaid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements. Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

n) Fund Equity

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.

Restricted Net Position - Consists of assets less liabilities with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. 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 resolutions approved by the Board.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignments may be established, modified or rescinded through a majority vote of the Board or by the Executive Director or his nominee.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as restricted and unassigned as of June 30, 2023.

o) New GASB Statements

During the year ending June 30, 2023, the District implemented the following GASB Statement:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*” improves financial reporting by addressing issues related to public - private and public - public partnership arrangements (PPPs). As used in the Statement a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange like transaction. This Statement did not affect the District’s financial statements.

Statement No. 96, “*Subscription-Based Information Technology Arrangements*” provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87 “*Leases*”, as amended. Under this Statement a government should recognize a right to use subscription asset and a corresponding subscription liability at the commencement of the subscription term. The subscription liability should be measured at the present value of subscription payments. Future subscription payments should be discounted using the interest rate the vendor charges the government or the government’s incremental borrowing rate. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example interest expense) in future financial reporting periods. Activities associated with SBITAs, other than subscription payments, should be grouped into three stages and costs meeting specific capitalization criteria, including costs necessary to place the subscription asset in service, should be capitalized in the subscription asset, otherwise costs should be expensed as incurred. This Statement provides an exception for short-term SBITAs of 12 months or less, including options to extend. Subscription payments for short-term SBITAs should be expensed as incurred. This Statement requires disclosure of descriptive information about SBITAs other than short-term SBITAs. This Statement did not affect the District’s financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, “*Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - RESTATEMENT OF NET POSITION

During the year ended June 30, 2023, the District determined that certain prior year revenues were overstated as evidenced by funds due to the Coastal Protection and Restoration Authority (CPRA) for reimbursements received by the Federal Emergency Management Agency (FEMA) for Hurricane Barry for expenditures previously reimbursed by CPRA. Accordingly, the District has recognized a prior period adjustment to account for the effect of the restatement.

Note 2 - RESTATEMENT OF NET POSITION (Continued)

The following reflects the impact on the previously reported balances:

Statement of Activities	Governmental Activities
Net position, June 30, 2022, as previously reported	\$ 413,405,636
Restatement	(1,769,965)
Net position, June 30, 2022, restated	\$ 411,635,671

Note 3 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk which requires compliance with state law. As of June 30, 2023, \$7,310,765 of the District's bank balance of \$7,561,423 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the District's name by state statutes.

As of June 30, 2023, deposits in excess of the FDIC insurance were collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these deposits subject to custodial credit risk.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits as shown on the Statement of Net Position is as follows:

Cash on hand	\$	470
Reported amount of deposits		<u>7,037,409</u>
 Total cash and cash equivalents		 <u><u>\$7,037,879</u></u>

Note 4 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor’s Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of 2021. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended June 30, 2023 was \$4.89 per \$1,000 of assessed valuation on property within Terrebonne Levee and Conservation District for the purpose of acquiring, constructing, maintaining and operating hurricane protection facilities within the District.

As indicated in Note 1c, taxes levied November 1, 2022 are used to fund expenditures in calendar year 2023, therefore, one half of the 2022 tax levy is recognized as revenues in the fiscal year ended June 30, 2023 and one half in the year ending June 30, 2024. The one half of the 2022 tax levy and related state revenue sharing to be recognized as revenues in the fiscal year ending June 30, 2024 amounted to \$2,503,659 and is reported as deferred inflows of resources in the General Fund as of June 30, 2023.

Note 5 - DUE TO AND FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2023 consisted of the following:

	<u>General Fund</u>	<u>Morganza to the Gulf Fund</u>
State of Louisiana:		
Coastal Protection and Restoration Authority	\$ -	\$ 3,727,022
FEMA	-	5,871,155
Terrebonne Parish Consolidated Government:		
Sales and use tax department	-	<u>1,192,496</u>
Totals	<u>\$ -</u>	<u>\$ 10,790,673</u>

Amounts due to other governmental units as of June 30, 2023 consisted of the following:

	<u>General Fund</u>	<u>Morganza to the Gulf Fund</u>
State of Louisiana - Coastal Protection and Restoration Authority	<u>\$ 500,000</u>	<u>\$ 3,417,590</u>

The amount due to the State of Louisiana from the General Fund is for a short-term loan from the Louisiana State Coastal Protection and Restoration Authority for assistance in meeting expenditures incurred during the 2011 High River Flood Threat. The loan was for \$500,000, non-interest bearing and is due upon demand.

The District received \$10,700,000 in reimbursements from the Louisiana State Coastal Protection and Restoration Authority for assistance in meeting expenditures incurred in response to Hurricane Ida. The District has agreed to pay the Louisiana State Coastal Protection and Restoration Authority back any funds collected from the Federal Emergency Management Agency (FEMA) for those same expenditures. As of June 30, 2023, the District has received \$3,417,590 from FEMA for these expenditures.

Note 6 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 121,461	\$ 416,500	\$ -	\$ 537,961
Construction in progress	-	37,124	-	37,124
Total capital assets not being depreciated	<u>121,461</u>	<u>453,624</u>	<u>-</u>	<u>575,085</u>
Capital assets being depreciated:				
Office building	594,762	16,389	-	611,151
Equipment, furniture, and fixtures	4,073,450	206,135	(69,189)	4,210,396
Hurricane and flood protection system infrastructure	655,009,844	43,174,160	-	698,184,004
Total capital assets being depreciated	<u>659,678,056</u>	<u>43,396,684</u>	<u>(69,189)</u>	<u>703,005,551</u>
Less accumulated depreciation for:				
Office building	(145,397)	(21,639)	-	(167,036)
Equipment, furniture, and fixtures	(2,477,359)	(350,512)	69,189	(2,758,682)
Hurricane and flood protection system infrastructure	(138,596,369)	(17,616,854)	-	(156,213,223)
Total accumulated depreciation	<u>(141,219,125)</u>	<u>(17,989,005)</u>	<u>69,189</u>	<u>(159,138,941)</u>
Total capital assets being depreciated, net	<u>518,458,931</u>	<u>25,407,679</u>	<u>-</u>	<u>543,866,610</u>
Total capital assets, net	<u>\$ 518,580,392</u>	<u>\$ 25,861,303</u>	<u>\$ -</u>	<u>\$ 544,441,695</u>

Depreciation expense amounted to \$17,989,005 and was charged to public safety activities during the year ended June 30, 2023.

Note 6 - CHANGES IN CAPITAL ASSETS (Continued)

Construction Commitments

As of June 30, 2023, the District's commitments with contractors are as follows:

Project	Spent To Date	Remaining Commitment
Falgout Canal South Levee Tie-In	\$ 4,583,341	\$ 250,171
HNC Lock Complex Project TE-113, Phase I	10,743,670	743,920
Reach L Segment 1	9,898,021	4,266,982
Reach G-2 Rehabilitation Segment C	167,031	2,331,444
Dry Docking and Repair of the Humble Canal	646,924	60,102
Reach H2/H3 Levee Emergency Repair	9,356,126	972,829
Reach H1 Levee Emergency Repair	1,757,899	699,303
Reach B Levee Emergency Rehabilitation	567,502	74,829
Reach J2/J3 Levee Segments/Annual Maintenance	800,500	1,444,500
Reach E Levee Rehab Segment 1/2	1,622,632	4,349,258
Totals	<u>\$40,143,646</u>	<u>\$ 15,193,338</u>

Note 7 - LEASE COMMITMENTS

The District entered into a lease with Caterpillar Financial Services Corporation for an excavator. The lease term began on May 13, 2021 and covers 60 months with payments of \$3,507 due monthly. The lease interest rate is approximated at the incremental borrowing rate of 4%. Lease expense for the excavator was \$43,630 for the year ended June 30, 2023.

The District entered into a second lease with Caterpillar Financial Services Corporation for a D3-12LGP Track Type Tractor. The lease term began on November 1, 2021 and covers 60 months with payments of \$2,695 due monthly. The lease interest rate is approximated at the incremental borrowing rate of 4%. Lease expense for the tractor was \$33,937 for the year ended June 30, 2023.

The District entered into a lease with Southland Truck Leasing, L.L.C for a tandem-axle tractor. The lease term began on August 24, 2022 and covers 24 months with payments of \$38,954 due annually. The lease interest rate is approximated at the incremental borrowing rate of 4%. Lease expense for the tractor was \$40,395 for the year ended June 30, 2023.

Note 7 - LEASE COMMITMENTS (Continued)

The following tables set forth supplemental statement of net position information related to leases as of June 30, 2023:

Lease right-of-use asset	\$410,209
Accumulated amortization	<u>(159,236)</u>
Lease right-of-use asset, net	<u>250,973</u>
Current portion of long-term debt	104,214
Long - term debt	<u>155,128</u>
Total finance lease obligation	<u><u>\$259,342</u></u>

The weighted-average remaining lease term in year as of June 30, 2023 is 2.9 years.

The weighted average of the interest rate as of June 30, 2023 is 4.0%.

As of June 30, 2023, minimum future obligations of the leases are as follows:

2024	\$113,374
2025	74,419
2026	74,419
2027	<u>13,472</u>
Total minimum lease payments	275,684
Less amount representing interest	<u>(16,342)</u>
Present value of capital lease obligation	259,342
Less current maturities	<u>(102,772)</u>
	<u><u>\$156,570</u></u>

Note 8 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2023 consisted of the following:

	General Fund	Morganza to the Gulf Fund	Adjustments	Totals
Vendors	\$ 600	\$ 9,735,300	\$ -	\$ 9,735,900
Accrued salaries and wages	46,708	-	-	46,708
Accrued interest on bonds payable	-	-	556,229	556,229
Totals	<u>\$47,308</u>	<u>\$9,735,300</u>	<u>\$556,229</u>	<u>\$10,338,837</u>

Note 9 - LONG-TERM OBLIGATIONS

In response to Hurricane Ida, the District issued \$26,495,000 of Hurricane Recovery Revenue Bonds, Series 2022 on March 28, 2022. The bonds were issued with a maturity date of March 1, 2035, with principal due March 1st beginning on March 1, 2026 and interest due March 1st and September 1st beginning September 1, 2022. The bonds carry an interest rate of 3.75% and are secured by and payable from a pledge of reimbursements from private insurance and grant funding from the Federal Emergency Management Agency (FEMA), and all other funds or revenues received or to be received by the District to the extent legally available for the payment of the principal and interest on the bonds, provided that no such funds or revenues shall be so included which have been or are in the future legally dedicated and required for purposes inconsistent therewith by the electorate, by the terms of specific grants, by the terms of existing obligations previously issued or to be issued, or by operation of law. The bonds call for an initial funding construction draw of \$19,495,000 and a secondary supplemental draw of \$7,000,000 on January 1, 2023. The bond discount totaled \$1,242,509 and the bond costs totaled \$252,491.

On May 1, 2021, the District, in connection with the sole bank bondholder, issued \$3,500,000 of Revenue Bonds Series-2019 (replacement bonds), with an average yield of 2.65% to currently replace and call \$3,500,000 Revenue Bonds Series-2019 held by the sole bank bondholder with an average rate of 3.50%. The non-cash replacement transaction is accounted for and reported as a call and current refunding. The refunding was undertaken to obtain lower interest rates. The bonds have a balance of \$2,100,000 as of June 30 2023.

Note 9 - LONG-TERM OBLIGATIONS (Continued)

On September 9, 2020, the District issued \$103,595,000 of Revenue Bonds Series-2020A, \$85,845,000 with a June 2035 maturity date and interest rate of 3.1%, and 2020B, \$17,750,000 with a June 2041 maturity date and interest rate of 4.0%, with an average yield of 2.58%, and 2.86%, respectively, to advance refund \$74,810,000 of outstanding public improvement bonds and to currently refund and call \$9,990,000 Series 2017 Revenue Bonds with an average rate of 4.78% and 2.55%, respectively and issue \$10,035,827 of additional bonds. The net proceeds of \$104,822,267 (includes bond premium of \$2,551,035 and deductions for underwriters' discount of \$776,963 and \$546,806 of other issuance costs) were used as follows: \$84,748,322 of the net proceeds were used to purchase U.S. government securities to provide for the future debt service payments of \$84,748,322 of the Series 2013 Bonds as of the July 1, 2023 call date or \$113,355,312 as of maturity in 2038 and debt service payments of \$10,038,118 of the Series 2017 Bonds as of the 2020 call date or \$13,643,767 as of maturity in 2040. The U.S. government securities purchased with the proceeds of the Series 2020A Bonds were deposited into an irrevocable trust with an escrow agent. As a result, the Series 2020A bonds are considered to be defeased and the liability for those bonds were removed from the Statement of Net Position. The Series 2020B Bonds were called September 9, 2020 and the liability for those bonds were removed from the Statement of Net Position.

The advance refunding of the public improvement bonds and the current refunding of Series 2017 Revenue Bonds resulted in a difference, \$9,986,441, between the reacquisition price, \$94,786,441, and the net carrying amount of the old debt, \$84,800,000. This difference was reported in the financial statements as a deferred outflows of resources from refunding of bonds payable, will be charged to operations through the year 2041 using the effective-interest method. The balance was \$8,049,027 as of June 30, 2023.

Note 9 - LONG-TERM OBLIGATIONS (Continued)

The following is a summary of the changes in long-term obligations of the District for the year ended June 30, 2023:

	Payable July 1, 2022	Obligations Retired	New Issues	Payable June 30, 2023	Due Within One Year
Series 2019, revenue bonds replacement bonds	\$ 2,800,000	\$ 700,000	\$ -	\$ 2,100,000	\$ 700,000
Public improvement sales tax refunding bonds, Series 2020 A	77,510,000	4,150,000	-	73,360,000	4,200,000
Public improvement sales tax refunding bonds, Series 2020 B	17,750,000	-	-	17,750,000	-
Hurricane recovery revenue bonds, Series 2022	19,495,000	-	7,000,000	26,495,000	-
Unamortized bond premium	5,022,766	393,108	-	4,629,658	386,158
Accumulated unpaid annual leave	142,805	-	7,657	150,462	-
Lease liability	286,031	100,160	73,471	259,342	102,772
Net pension liability	2,894,486	-	1,265,111	4,159,597	-
Other postemployment benefits	1,678,964	-	70,900	1,749,864	-
Totals	<u>\$ 127,580,052</u>	<u>\$ 5,343,268</u>	<u>\$ 8,417,139</u>	<u>\$ 130,653,923</u>	<u>\$ 5,388,930</u>

Compensated absences, leases, other postemployment benefits and net pension liability are described in Notes 1j, 7, 10, and 11, respectively.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2023 assuming the complete drawdown of the Revenue Bonds, Series 2019 are as follows:

Year	Principal	Interest	Totals
2024	\$ 4,900,000	\$ 3,522,965	\$ 8,422,965
2025	4,955,000	3,449,977	8,404,977
2026	7,240,000	3,372,026	10,612,026
2027	6,695,000	3,196,969	9,891,969
2028	6,870,000	3,029,784	9,899,784
2029-2033	37,290,000	12,193,815	49,483,815
2034-2038	33,240,000	6,554,605	39,794,605
2039-2041	18,515,000	1,493,752	20,008,752
Totals	<u>\$ 119,705,000</u>	<u>\$ 36,813,893</u>	<u>\$ 156,518,893</u>

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

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

Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured, multiple-employer arrangement. Medical benefits are provided to employees upon actual retirement based on the following retirement eligibility (DROP entry) provisions: 30 years of service at any age; age 55 and 25 years of service; or age 60 and 10 years of service.

Life insurance coverage under the OGB program is available to retirees by election and is based on the OGB blended rates (active and retired). The employer pays 50% of the cost of the retiree life insurance. While GASB No. 75 requires the use of “unblended” rates, we have used the OGB life insurance rates. Although they are “blended” rates, the blending is calculated across all covered groups and the blended rates are extraordinarily high; indeed, they are higher than the estimated “unblended” table which we considered using. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Employee Covered by Benefit Terms

Inactive employees currently receiving benefits payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>24</u>
Total	<u><u>29</u></u>

The District’s total OPEB liability of \$1,749,864 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2023
Actuarial valuation date	July 1, 2021
Inflation	3.00%
Salary increases, include inflation	3.00%
Discount rate	3.65%
Healthcare cost trend rates	5.5% until year 2032, then 4.5%

The discount rate was based on the average of the Bond Buyers' 20 Year General Bond Obligation Index as of June 30, 2023.

Mortality rates were based on the SOA RP-2014 Combined Mortality Table.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of ongoing evaluations of the assumptions through July 1, 2021.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2022	<u>\$ 1,678,964</u>
Changes for the year:	
Service cost	96,460
Interest	61,142
Difference between expected and actual experience	(43,842)
Changes in assumptions	(22,867)
Benefit payments	<u>(19,993)</u>
Net changes	<u>70,900</u>
Balance as of June 30, 2023	<u><u>\$ 1,749,864</u></u>

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity to the Total OPEB Liability to Changes in the Health Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or higher (4.65%) than the current discount rate.

	<u>1.0% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1.0% Increase (4.65%)</u>
Total OPEB Liability	<u>\$ 1,996,680</u>	<u>\$ 1,749,864</u>	<u>\$ 1,549,463</u>

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.50%) or higher (6.50%) than healthcare cost trend rates.

	<u>1.0% Decrease (4.50%)</u>	<u>Current Health Cost Trend (5.50%)</u>	<u>1.0% Increase (6.50%)</u>
Total OPEB Liability	<u>\$ 1,555,182</u>	<u>\$ 1,749,864</u>	<u>\$ 1,991,016</u>

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

For the year ended June 30, 2023, the District recognized OPEB benefit of \$95,075. As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 58,679	\$ (864,939)
Changes in assumptions	<u>557,535</u>	<u>(253,799)</u>
Totals	<u>\$616,214</u>	<u>\$(1,118,738)</u>

Note 10 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability

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

For the Year Ended June 30,	Amount
2024	\$(246,421)
2025	(265,387)
2026	(4,012)
2027	(4,012)
2028	(4,012)
Thereafter	21,319
Total	\$(502,525)

Note 11 - PENSION PLAN

Plan Description. Employees of the District are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to the 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, disability and death benefits. Retirement benefits are generally equal to 2.5% of the average compensation multiplied by the years of creditable service. Members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of service or at age 55 after completing 10 years of service. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing 5 years of service and those hired on or after July 1, 2015 may retire at age 62 upon completing 5 years of service. Additionally, members may choose to retire with 20 years of service at any age with an actuarially reduced benefit. The State legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During DROP participation, accumulated benefits that would have been paid are separately tracked in the participant's DROP account. When participation in DROP ends, the participant must choose among available alternatives for distribution

Note 11 - PENSION PLAN (Continued)

of benefits accumulated in the DROP account. The election to participate in DROP is irrevocable once participation begins. Members with 10 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's compensation and the dependent's relationship to the deceased member. LASERS provides permanent benefit increases, and cost of living adjustments (COLA) as approved by the State legislature.

Contributions. The employer contribution rate for all employees is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Contribution requirements of active employees, 7.5% if hired before July 1, 2006 and 8% if hired after June 30, 2006, are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401). The District's contractually required composite contribution rate for the year ended June 30, 2023 was 40.40% 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 \$503,301 for the year ended June 30, 2023.

Pension Liabilities. As of June 30, 2023, the District reported a liability of \$4,159,597 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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. As of June 30, 2022, the District's proportion was .05502% which was a decrease of .00243% from its proportion measured as of June 30, 2021.

Pension Expense. For the year ended June 30, 2023, the District recognized a pension expense of \$573,740.

Note 11 - PENSION PLAN (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,344	\$ -
Net difference between projected and actual earnings on pension plan investments	335,041	-
Change in assumptions	75,627	-
Changes in proportion	970,312	-
District contributions subsequent to the measurement date	<u>503,301</u>	<u>-</u>
Totals	<u>\$ 1,895,625</u>	<u>\$ -</u>

The District reported \$503,301 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ended June 30,</u>	<u>Amount</u>
2024	\$ 1,173,700
2025	71,344
2026	(75,795)
2027	<u>223,074</u>
Total	<u>\$ 1,392,323</u>

Note 11 - PENSION PLAN (Continued)

Actuarial Assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years.
Investment Rate of Returns	7.25% per annum., net of investment expenses
Inflation Rate	2.3% per annum.
Mortality	Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected on a five year (2014 - 2018) experience study of the
Salary Increases	Salary increases were projected based on a 2014 - 2018 experience study of the System's members. The salary increase ranges from 3.0% to 12.8% for regular members.
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 and they

Note 11 - PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.39%
Domestic Equity	4.57%
International Equity	5.76%
Domestic Fixed Income	1.48%
International Fixed Income	5.04%
Alternative Investments	8.30%
Total fund	5.91%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The table on the next page presents the District's proportionate share of the collective net pension liability using the discount rate of 7.25%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

Note 11 - PENSION PLAN (Continued)

	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.0% Increase (8.25%)</u>
District's proportionate share of the collective net pension liability	<u>\$ 5,233,987</u>	<u>\$ 4,159,597</u>	<u>\$ 3,179,909</u>

Note 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Note 13 - CONTINGENCIES

The District is named as a defendant in legal claims arising in the ordinary course of operations. In the opinion of management, the ultimate resolution of these matters should not materially affect the financial statements of the District.

The District receives funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

Note 14 - STATE OF LOUISIANA TAX ABATEMENT

District property tax revenues for the year ended June 30, 2023 were reduced by \$104,031 under the Louisiana Industrial Tax Ad Valorem Tax Exemption Program which were entered into by the State of Louisiana.

Note 15 - COMPENSATION OF BOARD MEMBERS

Per Diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal service expenditures of the General Fund. Board members are paid \$117.75 per day, to a maximum of 36 days per year, for board meetings and official business.

Note 15 - COMPENSATION OF BOARD MEMBERS (Continued)

The following amounts were paid to Board Members for the year ended June 30, 2023:

Board Member	Number of Days	Per Diem
Anthony Alford, President	20	\$ - *
Tenner Cenac	19	2,237
Carl Chauvin	28	3,310
Dan Davis	22	2,591
Leward Henry	25	2,944
Jack Moore	25	2,944
Daniel Walker	19	2,237
Arlanda Williams	19	2,237
Jefferson Daisy	26	3,062
		\$21,562

*Anthony Alford waived his right to receive a per diem.

Note 16 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 11, 2023, which is the date the financial statements were available to be issued.

Refunding of Bonds

On August 22, 2023, the District issued \$14,550,000 of Series 2023 Sales Tax Revenue Refunding Bonds with an average coupon of 4.6%, average life of 10.7 years, and maturing date of June 1, 2039 to advance refund \$17,435,000 of outstanding Series 2020A Sales Tax Revenue Refunding Bonds with an average coupon of 2.8% and average life of 9.9 years. The refunding resulted in a net present value savings of \$511,337. The net proceeds from the refunding of \$15,616,674 (bond proceeds of \$14,550,000 and net bond premium/discount of \$1,066,674) were used to provide for future debt service payments of \$17,435,000 on the Series 2020A Sales Tax Revenue Refunding Bonds as of the call date June 1, 2024 or as of maturity date of June 1, 2039 less the redemption premium of \$2,412,118, to pay accrued interest on the bonds of \$102,674, and to pay for underwriter and other costs of \$491,118. The U.S. Government securities purchased with the proceeds from the 2023 Sales Tax Revenue Refunding Bonds are now considered defeased and the liability for those bonds will be removed from the Statement of Net Position as of June 30, 2024. The refunding resulted in a difference of \$3,478,792 between the acquisition price and the net carrying amount of the old debt. The difference will be reported as a deferred inflow and will be charged to operations through 2039 using the effective interest method.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

**Terrebonne Levee and Conservation District
Houma, Louisiana**

For the six years ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 96,460	\$ 106,617	\$ 203,794	\$ 106,554	\$ 146,972	\$ 159,564
Interest	61,142	54,063	54,428	74,928	67,934	62,000
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(43,842)	(521,682)	(1,260,307)	(202,405)	95,354	(40,177)
Changes in assumptions or other inputs	(22,867)	(390,711)	1,093,922	297,237	98,343	(68,929)
Benefit payments	<u>(19,993)</u>	<u>(18,951)</u>	<u>(3,103)</u>	<u>(2,941)</u>	<u>(2,987)</u>	<u>(2,831)</u>
Net change in total OPEB liability	70,900	(770,664)	88,734	273,373	405,616	109,627
Total OPEB liability, beginning of year	<u>1,678,964</u>	<u>2,449,628</u>	<u>2,360,894</u>	<u>2,087,521</u>	<u>1,681,905</u>	<u>1,572,278</u>
Total OPEB liability, end of year	<u>\$ 1,749,864</u>	<u>\$ 1,678,964</u>	<u>\$ 2,449,628</u>	<u>\$ 2,360,894</u>	<u>\$ 2,087,521</u>	<u>\$ 1,681,905</u>
Covered employee payroll	<u>\$ 2,207,775</u>	<u>\$ 1,291,870</u>	<u>\$ 1,210,444</u>	<u>\$ 1,175,188</u>	<u>\$ 1,090,353</u>	<u>\$ 1,058,595</u>
Total OPEB liability as a percentage of covered employee payroll	<u>79.26%</u>	<u>129.96%</u>	<u>202.37%</u>	<u>200.90%</u>	<u>191.45%</u>	<u>158.88%</u>
Notes to schedule:						
Changes of benefit terms:	None	None	None	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period	<u>3.65%</u>	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.87%</u>

The schedule is provided prospectively beginning with the District's year ended June 30, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**

**Terrebonne Levee and Conservation District
Houma, Louisiana**

For the eight years ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	<u>0.05502%</u>	<u>0.05259%</u>	<u>0.05261%</u>	<u>0.05057%</u>	<u>0.04552%</u>	<u>0.04753%</u>	<u>0.04713%</u>	<u>0.04304%</u>
District's proportionate share of the net pension liability	<u>\$ 4,159,597</u>	<u>\$ 2,894,486</u>	<u>\$ 4,350,950</u>	<u>\$ 3,663,463</u>	<u>\$ 3,104,158</u>	<u>\$ 3,345,556</u>	<u>\$ 3,701,065</u>	<u>\$ 2,927,574</u>
District's covered-employee payroll	<u>\$ 1,220,998</u>	<u>\$ 1,057,410</u>	<u>\$ 1,143,192</u>	<u>\$ 985,675</u>	<u>\$ 1,029,887</u>	<u>\$ 1,077,258</u>	<u>\$ 1,010,673</u>	<u>\$ 943,939</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>340.67%</u>	<u>273.73%</u>	<u>380.60%</u>	<u>371.67%</u>	<u>301.41%</u>	<u>310.56%</u>	<u>366.20%</u>	<u>310.14%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>63.70%</u>	<u>72.80%</u>	<u>58.00%</u>	<u>62.90%</u>	<u>64.30%</u>	<u>62.50%</u>	<u>57.70%</u>	<u>62.70%</u>

The schedule is provided prospectively beginning with the District's year ended June 30, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF DISTRICT CONTRIBUTIONS

Terrebonne Levee and Conservation District
 Houma, Louisiana

For the eight years ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 503,301	\$ 493,684	\$ 506,169	\$ 465,279	\$ 373,571	\$ 390,327	\$ 385,658	\$ 375,970
Contributions in relation to the contractually required contribution	<u>(503,301)</u>	<u>(493,684)</u>	<u>(506,169)</u>	<u>(465,279)</u>	<u>(373,571)</u>	<u>(390,327)</u>	<u>(385,658)</u>	<u>(375,970)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 1,245,795</u>	<u>\$ 1,220,998</u>	<u>\$ 1,073,232</u>	<u>\$ 1,143,192</u>	<u>\$ 985,675</u>	<u>\$ 1,029,887</u>	<u>\$ 1,077,258</u>	<u>\$ 1,010,673</u>
Contributions as a percentage of covered - employee payroll	<u>40.40%</u>	<u>40.43%</u>	<u>47.16%</u>	<u>40.70%</u>	<u>37.90%</u>	<u>37.90%</u>	<u>35.80%</u>	<u>37.20%</u>

The schedule is provided prospectively beginning with the District's year ended June 30, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
MORGANZA TO THE GULF FUND**

**Terrebonne Levee and Conservation District
Houma, Louisiana**

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes-sales and use	\$ 11,875,000	\$ 14,620,150	\$ 14,553,617	\$ (66,533)
Intergovernmental:				
Federal:				
FEMA	11,170,300	4,490,035	1,543,222	(2,946,813)
GOMESA	1,000,000	-	2,000,000	2,000,000
RESTORE	95,763,045	6,806,879	4,901,935	(1,904,944)
State of Louisiana:				
State reimbursement grants	38,474,744	9,045,917	9,730,905	684,988
Terrebonne Parish Consolidated Government:				
Sales tax	2,000,000	2,673,558	2,673,558	-
Other	3,920,000	-	-	-
Miscellaneous:				
Investment earnings	-	16,271	45,817	29,546
Other	-	28,550	22,235	(6,315)
Total revenues	<u>164,203,089</u>	<u>37,681,360</u>	<u>35,471,289</u>	<u>(2,210,071)</u>
Expenditures				
Other services and charges:				
Disaster recovery	-	106,441	106,444	(3)
Occupancy	-	8,470	6,181	2,289
Professional services	-	522,103	511,959	10,144
Miscellaneous and other	-	1,911,601	152,383	1,759,218
Repairs and maintenance	-	601,264	597,477	3,787
Total public safety	<u>-</u>	<u>3,149,879</u>	<u>1,374,444</u>	<u>1,775,435</u>
Debt service:				
Bond issuance costs	-	-	8,495	8,495
Principal payments	-	-	100,160	100,160
Interest payments	-	-	13,213	(13,213)
Total debt service	<u>-</u>	<u>-</u>	<u>121,868</u>	<u>95,442</u>

**Schedule 1
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued)				
Capital outlay:				
General operations	-	110,098	-	110,098
Hurricane and flood protection	176,361,316	49,699,891	43,156,160	6,543,731
Lease	-	-	73,471	(73,471)
Total capital outlay	176,361,316	49,809,989	43,229,631	6,580,358
Total expenditures	176,361,316	52,959,868	44,725,943	8,451,235
Deficiency of Revenues Over Expenditures	(12,158,227)	(15,278,508)	(9,254,654)	6,241,164
Other Financing Sources (Uses)				
Insurance proceeds	2,739,578	1,225,510	206,058	1,019,452
Bond proceeds	7,000,000	7,000,000	7,000,000	-
Lease	-	-	73,471	(73,471)
Transfers out	-	-	(5,222,454)	(5,222,454)
Total other financing sources	9,739,578	8,225,510	2,057,075	(4,276,473)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(2,418,649)	(7,052,998)	(7,197,579)	1,964,691
Fund Balances/Net Position				
Beginning of year, as restated	9,504,793	7,197,579	7,197,579	-
End of year	\$ 7,086,144	\$ 144,581	\$ -	\$ 1,964,691

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Terrebonne Levee and Conservation District
Houma, Louisiana**

For the year ended June 30, 2023

Agency Head Name: Reggie Dupre, Executive Director

Purpose

Salary	\$ 184,540
Benefits - insurance	27,594
Benefits - retirement	74,554
Benefits - other	-
Car allowance	13,800
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 300,488</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Terrebonne Levee and Conservation District,
Houma, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Levee and Conservation District (the “District”), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 11, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants

Houma, Louisiana.
December 11, 2023.

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

To the Board of Commissioners,
Terrebonne Levee and Conservation District,
Houma, Louisiana.

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited Terrebonne Levee and Conservation District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs of the year end June 30, 2023.

Basis for Opinion of Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risk. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



Certified Public Accountants.

Houma, Louisiana,
December 11, 2023.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**Terrebonne Levee and Conservation District**
Houma, Louisiana

For the year ended June 30, 2023

Federal Grantor/Pass - Through Grantor/Program Title	Federal Assistance Listing	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
U.S. Department of Homeland Security				
<u>Pass-Through Program From Louisiana Office of Homeland Security and Emergency</u>				
<u>Preparedness:</u>				
Disaster Grants:				
Public Assistance 2021 Hurricane Ida	97.036	FEMA-DR-4611-LA	\$ 4,282,690	
Public Assistance 2020 Hurricane Laura	97.036	FEMA-DR-4559-LA	331,103	
Hurricane Delta	97.036	FEMA-DR-4570-LA	13,358	
Hurricane Zeta	97.036	FEMA-DR-4577-LA	3,217	
Public Assistance 2019 Hurricane Barry	97.036	FEMA-DR-4458-LA	264,147	
Subtotal Louisiana Office of Homeland Security and Emergency Preparedness			4,894,515	-
<u>Pass-Through Program From South Lafourche Levee District:</u>				
Disaster Grants:				
Public Assistance 2021 Hurricane Ida	97.036	FEMA-DR-4611-LA	20,168	
Public Assistance 2020 Hurricane Delta	97.036	FEMA-DR-4570-LA	46,129	
Subtotal South Lafourche Levee District			66,297	-
Total U.S. Department of Homeland Security			4,960,812	-
Consumer Product Safety Commission				
<u>Gulf Coast Ecosystem Restoration Council</u>				
<u>Pass-Through Program From Coastal Protection and Restoration Authority</u>				
<u>of Louisiana:</u>				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052		4,901,935	
Gulf of Mexico Energy Security Act of 2006	15.435		2,000,000	
Total Consumer Product Safety Commission			6,901,935	-
Total Expenditures of Federal Awards			\$11,862,747	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

**NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

**Terrebonne Levee and Conservation District
Houma, Louisiana**

For the year ended June 30, 2023

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 June 30, 2023. The information in this SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a selected portion of the 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 reimbursement.
- (2) The District has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - RECONCILIATION TO FINANCIAL STATEMENTS

	U.S. Department of Homeland Security	Consumer Product Safety Commission	Totals
Total Federal expenditures	\$ 4,960,812	\$ 6,901,935	\$ 11,862,747
Total Federal revenue	<u>(1,543,222)</u>	<u>(6,901,935)</u>	<u>(8,445,157)</u>
Federal revenue recognized in prior years	<u>\$ 3,417,590</u>	<u>\$ -</u>	<u>\$ 3,417,590</u>

Note 4 - SUBRECIPIENTS

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

Note 5 - NON-CASH ASSISTANCE

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

Note 6 - FINDINGS OF NONCOMPLIANCE

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2023.

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program</u>
87.052	Protection and Restoration Authority of Louisiana: Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program
15.435	Gulf of Mexico Energy Security Act of 2006

Dollar threshold used to distinguish between

Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes No

Section II - Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2023.

Section III - Federal Award Findings and Questioned Costs

There were no Federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2023.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Levee and Conservation District Houma, Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2022.

No significant deficiencies were reported during the audit for the year ended June 30, 2022.

Compliance and Other Matters

No compliance finds material to the financial statements were noted during the audit for the year ended June 30, 2022.

Section II Internal Control and Compliance Material to Federal Awards

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2022.

Section III Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Levee and Conservation District Houma, Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2023.

No significant deficiencies were reported during the audit for the year ended June 30, 2023.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2023.

Section II - Internal Control and Compliance Material to Federal Awards

There were no Federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2023.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2023.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,
Terrebonne Levee and Conservation District,
Houma, Louisiana.

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. Terrebonne Levee and Conservation District (the “District”) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 4.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
December 11, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Levee and Conservation District

For the year ended June 30, 2023

The required procedures and our findings are as follows:

1) Procedures Performed on the District's Written Policies and Procedures:

- A. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the District's operations:
- i. Budgeting, including preparing, adopting, monitoring, and amending the budget.
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing.
Exceptions: There was an exception noted due to the policy lacking a provision on how vendors are added to the vendor list.
 - iii. Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or District fund additions.
Performance: Obtained and read the written policy for receipts.
Exceptions: There was an exception noted due to the policy lacking a provision on management's actions to determine completeness of all collections.

1) Procedures Performed on the District's Written Policies and Procedures: (Continued)

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the contracting policy and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- viii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
Performance: Obtained and read the written policy for ethics.
Exceptions: There was an exception noted due to the policy lacking a provision on a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the District's ethics policy.

1) Procedures Performed on the District's Written Policies and Procedures: (Continued)

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Inquired of management regarding the District's information technology disaster recovery/business continuity policy.

Exceptions: There were exceptions noted due to the District lacking this policy during the fiscal period.

- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Obtained and read the written policy for sexual harassment.

Exceptions: There were exceptions noted due to the policy lacking all the provisions above.

2) Procedures Performed on the District's Board:

- A. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

- i. Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.

Exceptions: There were no exceptions noted.

2) Procedures Performed on the District's Board: (Continued)

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. Reviewed minutes for formal plan on how to eliminate the negative unassigned fund balance.

Exceptions: There was no mention in the minutes of how the negative unassigned fund balance will be eliminated.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations:

- A. Obtain a listing of the District's bank accounts from management and management's representation that the listing is complete. Ask management to identify the main operating account. Select the District's main operating account and select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Performance: Obtained monthly bank reconciliation for the month of June for the main operating bank account and 4 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include evidence that a member of management who does not manage cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Inspected the District's documentation for the June bank reconciliation for the 5 bank accounts selected.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the District's Bank Reconciliations: (Continued)

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The District only has one deposit site.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. The District has one collection location.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of management, and observed that employees do not share a cash drawer.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals, inquired of management, and observed that employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers): (Continued)

iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Performance: Inspected policy manuals, inquired of management, and observed employees collecting cash do not reconcile cash collections to the general ledger.

Exceptions: There were no exceptions noted.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was enforced during the fiscal period.

Exceptions: There were no exceptions noted.

D. Randomly select two deposit dates for each of the District's 3 bank accounts selected for procedures #3A under "Procedures Performed on the District's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:

i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the District's Collections (Excluding Electronic Funds Transfers): (Continued)

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed whether the deposits tested were made within one business day of receipt.

Exceptions: There was an exception noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter.

The District only has one location that processes payments.

Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the District has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Obtained a listing of employees/contractors involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least two employees/contractors are involved.

Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. At least two employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees/contractors involved in processing and approving payments to vendors. Observed at least two employees/contractors are involved.
Exceptions: There were no exceptions noted.

- iii. The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
Performance: Obtained a listing of employees/contractors involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.
Exceptions: There were no exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Performance: Obtained a listing of employees/contractors involved with signing and mailing checks.
Exceptions: There were no exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other means.
Performance: Obtained a listing of employees authorized to sign checks.
Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
Performance: Obtained the District's non-payroll disbursement transaction population and management's representation that the population is complete. Randomly selected 5 disbursements.
Exceptions: There were no exceptions noted.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the District.
Performance: Observed the 5 disbursements matched the related original invoice/billing statements and examined supporting documentation indicating deliverables were received.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the District's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the District's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the District's policy, and (b) approved by the required number of authorized signers per the District's policy.

Performance: Observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There was an exception noted due to two electronic disbursements lacking approval by authorized persons.

6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the District's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: Observed finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed if the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There are 7 exceptions noted due to lack of original itemized receipts.

- ii. Written documentation of the business/public purpose.

Performance: Observed whether the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There are 7 exceptions noted due to lack of documentation.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Inspected the transactions from the monthly statements.

Exceptions: There were 2 exceptions noted due to the lack of documentation regarding the individuals participating in meals.

7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Performance: Obtained general ledger for travel and travel-related expense reimbursements and management's representation in a separate letter.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Agreed reimbursement rate to those established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Performance: Observed reimbursement is supported by an original itemized receipt.

Exceptions: There were no exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1A(vii)).

Performance: Observed each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Performance: Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract and:

Performance: Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

8) Procedures Performed on the District's Contracts: (Continued)

- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Performance: Observed that the contracts selected were bid in accordance with the Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.
- ii. Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
Performance: Inspected board meeting minutes and confirmed the board approved the contracts.
Exceptions: There were no exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (i.e., if approval is required for any amendment, the documented approval).
Performance: Observed that amendments to the contracts selected were in accordance with the original contract terms.
Exceptions: There were no exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.
Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel:

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.
Exceptions: There were no exceptions noted.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

9) Procedures Performed on the District's Payroll and Personnel: (Continued)

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
Performance: Inspected all daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.
Exceptions: There were no exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.
Exceptions: There were no exceptions noted.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.
Exceptions: There were no exceptions noted.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the District's policy.
- Performance: Inquired of management of those employees/officials that terminated during the fiscal period and obtained management's representation that the list is complete. There was one employee terminated during the fiscal period. Agreed the hours to the employee's cumulative leave records, agreed the pay rates to the employee's authorized rates in the employee's personnel file and agreed the termination payment to the District's policy for the employee.
- Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel: (Continued)

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

10) Procedures Performed on the District's Ethics:

- A. Using the 5 selected employees/officials from procedure #9A under "Procedures Performed on the District's Payroll and Personnel", obtain ethics compliance documentation from management and:

- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.

Exceptions: There were exceptions noted due to three of the employees selected not completing one hour of ethics training during the fiscal period.

- ii. Observe whether the District maintains documentation which demonstrates each employee and official were notified of any changes to the District's ethics policy during the fiscal period, as applicable.

Performance: There were no changes to the ethics policy during the year.

Exceptions: There were no exceptions noted.

- B. Inquire and/or observe whether the District has appointed an ethics designee as required by R.S. 42:1170.

Performance: We inquired as to whether the District appointed an ethics designee.

Exceptions: There were no exceptions noted.

11) Procedures Performed on the District's Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period and obtained management's representation in a separate letter that the listing is complete. Examined documentation for State Bond Commission approval.

Exceptions: There were no exceptions noted.

11) Procedures Performed on the District's Debt Service: (Continued)

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Obtained a listing of bonds/notes outstanding at the end of the fiscal period and received management's representation in a separate letter. Inspected bond documents for debt covenants and tested for compliance with the covenants.

Exceptions: There were no exceptions noted.

12) Procedures Performed on the District's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- B. Observe the District has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Observed the fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

13) Procedures Performed on the District's Information Technology Disaster Recovery/ Business Continuity:

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the District's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the District's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on the District's Information Technology Disaster Recovery/
Business Continuity: (Continued)**

- ii. Obtain and inspect the District's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the District's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

- B. Randomly Select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on the District's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the District's Payroll and Personnel" #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Inquired about sexual harassment training documentation for the 5 employees tested.

Exceptions: There were exceptions noted due to three of the employees selected not completing one hour of sexual harassment training during the calendar year.

- B. Observe the District has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the District's premises if the District does not have a website).

Performance: Inquired of management regarding the sexual harassment policy and complaint procedure on its website or on the entity's premises.

Exceptions: There was an exception noted due to the District's sexual harassment policy not being posted.

14) Procedures Performed on the District's Prevention of Sexual Harassment: (Continued)

C. Obtain the District's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Performance: Obtained the District's annual sexual harassment report.

Exceptions: There were no exceptions noted.

i. Number and percentage of public servants in the agency who have completed the training requirements.

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

ii. Number of sexual harassment complaints received by the agency.

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

v. Amount of time it took to resolve each complaint.

Performance: Requested the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

1)A(ii) Management will consider adding the required provision to the existing purchasing policy.

1)A(iv) Management will consider adding the required provision to the existing receipts/collections policy.

1)A(ix) Management will consider adding the required provision to the existing ethics policy.

Management's Overall Response to Exceptions: (Continued)

- 1)A(xi) Management will develop, and the Board will adopt an information technology disaster recovery/business continuity policy.
- 1)A(xii) Management will consider adding the required provisions to the existing sexual harassment policy.
- 2)A(iii) Management will develop a formal plan to eliminate the negative unassigned fund balance and discuss it at an upcoming board meeting.
- 5)D Management will consider implementing a procedure to insure that all electronic disbursements are properly approved.
- 6)C(i) Management will ensure credit card purchases contain an original itemized receipt that identifies precisely what was purchased.
- 6)C(ii) Management will ensure credit card purchases contain written documentation of the business/public purpose.
- 6)C(iii) Management will ensure credit card purchases for meals contain documentation of the individuals participating.
- 10)A(i) Management will ensure all employees will complete one hour of ethics training.
- 14)A Management will ensure all employees will complete one hour of sexual harassment training.
- 14)B Management will ensure the sexual harassment policy and complaint procedure is posted on its website or premises.