

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

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

RACELAND, LOUISIANA

FINANCIAL STATEMENT AUDIT

FOR THE YEAR ENDED  
DECEMBER 31, 2020

STATE OF LOUISIANA  
**NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT**  
 RACELAND, LOUISIANA  
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 DECEMBER 31, 2020

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

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of the North Lafourche Conservation, Levee and Drainage District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the North Lafourche Conservation, Levee and Drainage District, as of December 31, 2020 and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

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## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Other Matters

#### *Required Supplementary Information*

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

#### *Other Information*

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

The other accompanying supplementary information listed in the table of contents and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other accompanying supplementary information stated above and the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 17, 2021, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Lenora B Krielow*

Certified Public Accountant  
Jennings, Louisiana  
June 17, 2021

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
AS OF DECEMBER 31, 2020

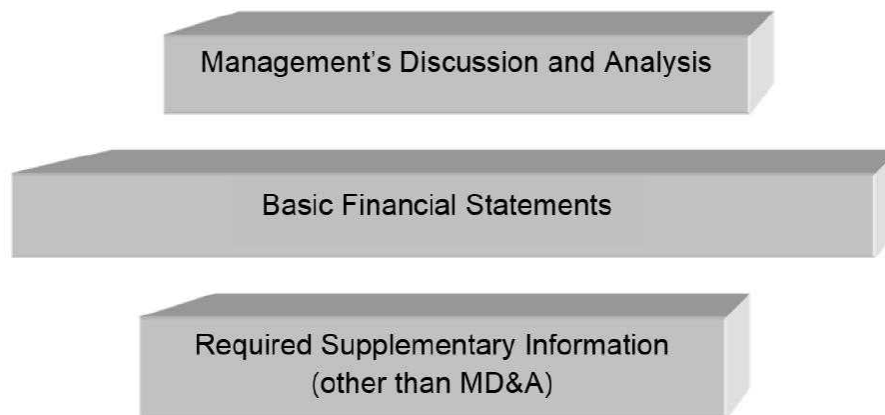
Management's Discussion and Analysis of the North Lafourche Conservation, Levee and Drainage District (District)' s financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the District's financial statements.

**FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$55,125,934 which represents a 18.26% increase from last fiscal year.
- The District's revenue's totaled \$13,288,921 for the year ended December 31, 2020. These revenues are comprised primarily of ad valorem, sales taxes and CPRA/GoMesa reimbursements. Revenues remained relatively consistent with amounts reported in the last fiscal year, while CPRA/GoMesa reimbursements increased.
- The District's expenses totaled \$4,778,654 for the year ended December 31, 2020. These expenditures are comprised primarily of repairs and maintenance, operating services, and personnel expenses. Expenses increased by \$840,410 from the last fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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



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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
AS OF DECEMBER 31, 2020

**Government-wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

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

**Notes to the Financial Statements**

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

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's proportionate share of the net pension liability, the District's pension contributions, and the schedule of the District's proportionate share of the total collective OPEB liability, Per Diem and Salary Paid to Board of Commissioners, the Schedule of Compensation, Benefits, and Other Payments, in accordance with Louisiana Revised Statute 38:308.

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
AS OF DECEMBER 31, 2020

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The District adopts annual budgets for the general fund. Budgetary comparison statements are provided for the general fund to demonstrate budgetary compliance.

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES**

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

	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>Percentage Change</u>
<b>Assets</b>				
Current assets	\$ 15,655,303	\$ 19,455,101	\$ (3,799,798)	(19.5%)
Capital assets	54,284,984	43,146,494	11,138,490	25.8%
Net Total Assets	<u>69,940,287</u>	<u>62,601,595</u>	<u>7,338,692</u>	11.7%
Deferred outflows of resources	<u>450,163</u>	<u>311,853</u>	<u>138,310</u>	44.4%
<b>Liabilities</b>				
Current liabilities	1,587,879	2,321,457	(733,578)	(31.6%)
Noncurrent liabilities	13,598,948	13,931,150	(332,202)	(2.4%)
Total Liabilities	<u>15,186,827</u>	<u>16,252,607</u>	<u>(1,065,780)</u>	(6.6%)
Deferred inflows of resources	<u>77,689</u>	<u>45,174</u>	<u>32,515</u>	72.0%
<b>Net Position:</b>				
Net Investment in capital assets	42,563,052	34,934,393	7,628,659	21.8%
Restricted for capital projects	5,670,897	9,094,709	(3,423,812)	(37.6%)
Restricted for debt service	1,656,949	1,651,038	5,911	0.4%
Unrestricted	<u>5,235,036</u>	<u>935,527</u>	<u>4,299,509</u>	459.6%
Total net position	<u>\$ 55,125,934</u>	<u>\$ 46,615,667</u>	<u>\$ 8,510,267</u>	

The schedule is prepared from the District's Statement of Net Position, which is presented on an accrual basis of accounting. Significant changes for 2020 include:

- Current assets decreased by \$3,799,798 over the prior year, mainly from the spending of bond proceeds for capital projects and other capital projects.
- Net capital assets increased \$11,138,490 over the prior year, mainly due to the overall additions to capital projects.



STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
AS OF DECEMBER 31, 2020

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

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percentage Change</u>
<b>Expenditures/Expenses</b>				
Personnel Services and related benefits	\$ 817,922	\$ 861,509	\$ (43,587)	(5.1%)
Travel	11,323	37,167	(25,844)	(69.5%)
Professional Services	331,827	448,509	(116,682)	(26.0%)
Office Supplies	30,488	28,254	2,234	7.9%
Repairs and Maintenance	387,532	340,685	46,847	13.8%
Operating Services	1,548,754	789,825	758,929	96.1%
Debt Service Payments	427,273	437,573	(10,300)	(2.4%)
Depreciation	<u>1,223,535</u>	<u>994,722</u>	<u>228,813</u>	23.0%
Total expenditure/expenses	<u>4,778,654</u>	<u>3,938,244</u>	<u>840,410</u>	21.3%
<b>Revenues</b>				
Program Revenues				
Capital grants and contributions	5,984,137	1,882,749	4,101,388	217.8%
General revenues				
Ad Valorem Taxes	4,257,216	3,951,005	306,211	7.8%
Sales Taxes	2,989,286	2,675,111	314,175	11.7%
Use of Money and Property	<u>58,282</u>	<u>195,306</u>	<u>(137,024)</u>	(70.2%)
Total general revenues	<u>7,304,784</u>	<u>6,821,422</u>	<u>483,362</u>	7.1%
Total revenues	<u>13,288,921</u>	<u>8,704,171</u>	<u>4,584,750</u>	52.7%
Change in net position	8,510,267	4,765,927	3,744,340	78.6%
Net position, beginning	<u>46,615,667</u>	<u>41,849,740</u>	<u>4,765,927</u>	11.4%
Net position, ending	<u>\$ 55,125,934</u>	<u>\$ 46,615,667</u>	<u>\$ 8,510,267</u>	18.3%

The District's expenses increased by \$840,410 from the previous fiscal year. The majority of the increase in expenditures is related to more repairs and maintenance projects while increasing capital projects. Operating expenses increased by \$758,929 as the general focus has been directed toward capital projects.

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 AS OF DECEMBER 31, 2020

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2020, totaled \$54,284,984. This amount represents a net increase (including additions and disposals, net of depreciation) of \$11,138,430 or 25.8% over the previous fiscal year. More detailed information about the Districts' capital assets are presented in the notes to the financial statements.

	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>Percent Change</u>
Land	\$ 1,434,547	\$ 1,434,547	\$ -	0.0%
Construction in Progress	2,351,918	2,519,044	(167,126)	(6.6%)
Infrastructure	48,384,669	37,856,587	10,528,082	27.8%
Building & Improvements	644,882	677,068	(32,186)	(4.8%)
Machinery and Equipment	1,446,885	627,554	819,331	130.6%
Office Equipment/Furniture	22,083	31,754	(9,671)	(30.5%)
Total	<u>\$ 54,284,984</u>	<u>\$ 43,146,554</u>	<u>\$ 11,138,430</u>	

**LONG-TERM LIABILITIES**

The District's long-term liabilities at December 31, 2020 totaled \$13,598,948. This amount represents a net decrease of \$332,472 over the previous fiscal year. The primary reason for the decrease is the bond payment of \$520,000 along with \$9,446 of bond amortization.

**Long-Term Liabilities at Year-End**

	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>Percent Change</u>
Compensated Absences Payable	\$ 41,745	\$ 38,932	\$ 2,813	7.2%
Bonds Payable	11,713,495	12,252,941	(539,446)	(4.4%)
Net Pension Liability	1,762,066	1,572,851	189,215	12.0%
OPEB Payable	81,642	66,696	14,946	22.4%
Total	<u>\$ 13,598,948</u>	<u>\$ 13,931,420</u>	<u>\$ (332,472)</u>	

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
AS OF DECEMBER 31, 2020

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

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

One of the most important factors affecting the Budget is the tax collections which is approximately 51.25 percent of budgeted revenues while grants and contributions are 48.3 percent. The General Fund's Budget for expenditures in 2020 was \$17,018,240 of which \$13,777,914 or 80.9 percent was allocated to capital outlay and levee maintenance.

**CONTACTING THE DISTRICT'S MANAGEMENT**

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

## BASIC FINANCIAL STATEMENTS

## STATEMENT A

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION**  
 AS OF DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds	Adjustments (Statement B)	Statement of Net Position
<b>ASSETS</b>						
Cash	\$ 3,292,815	\$ 5,344,216	\$ 1,656,949	\$ 10,293,980	\$ -	\$ 10,293,980
Accounts receivable	4,799,244	561,011	-	5,360,255	-	5,360,255
Other assets	1,068	-	-	1,068	-	1,068
Capital assets, net of accumulated depreciation	-	-	-	-	54,284,984	54,284,984
<b>TOTAL ASSETS</b>	<u>8,093,127</u>	<u>5,905,227</u>	<u>1,656,949</u>	<u>15,655,303</u>	<u>54,284,984</u>	<u>69,940,287</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pension	-	-	-	-	428,992	428,992
Deferred outflows related to OPEB	-	-	-	-	21,171	21,171
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,163</u>	<u>450,163</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 8,093,127</u>	<u>\$ 5,905,227</u>	<u>\$ 1,656,949</u>	<u>\$ 15,655,303</u>		
<b>LIABILITIES</b>						
Accounts payable and accruals	\$ 823,549	\$ 234,330	\$ -	\$ 1,057,879	-	1,057,879
Compensated absence payable	-	-	-	-	41,745	41,745
Bonds payable due within one year	-	-	-	-	530,000	530,000
Bonds Payable due after one year	-	-	-	-	11,713,495	11,713,495
Net pension obligation	-	-	-	-	1,762,066	1,762,066
OPEB payable	-	-	-	-	81,642	81,642
<b>TOTAL LIABILITIES</b>	<u>823,549</u>	<u>234,330</u>	<u>-</u>	<u>1,057,879</u>	<u>14,128,948</u>	<u>15,186,827</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to ad valorem taxes	263,197	-	-	263,197	(263,197)	-
Deferred inflows related to pensions	-	-	-	-	65,181	65,181
Deferred inflows related to OPEB	-	-	-	-	12,508	12,508
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>263,197</u>	<u>-</u>	<u>-</u>	<u>263,197</u>	<u>(185,508)</u>	<u>77,689</u>
<b>FUND BALANCE/NET POSITION</b>						
Restricted for Capital Projects	-	5,670,897	-	5,670,897	(5,670,897)	-
Restricted for Debt Service	-	-	1,656,949	1,656,949	(1,656,949)	-
Committed	3,102,137	-	-	3,102,137	(3,102,137)	-
Unassigned	3,904,244	-	-	3,904,244	(3,904,244)	-
<b>TOTAL FUND BALANCE</b>	<u>7,006,381</u>	<u>5,670,897</u>	<u>1,656,949</u>	<u>14,334,227</u>	<u>(14,334,227)</u>	<u>-</u>
<b>TOTAL LIABILITIES, TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 8,093,127</u>	<u>\$ 5,905,227</u>	<u>\$ 1,656,949</u>	<u>\$ 15,655,303</u>		
Net investment in capital assets					42,563,052	42,563,052
Restricted for capital projects					5,670,897	5,670,897
Restricted for Debt Service					1,656,949	1,656,949
Unrestricted					5,235,036	5,235,036
<b>TOTAL NET POSITION</b>					<u>\$ 55,125,934</u>	<u>\$ 55,125,934</u>

The accompanying notes are an integral part of this financial statement

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION**  
 AS OF DECEMBER 31, 2020

Total Fund Balances for Governmental Funds (Statement A) \$ 14,334,227

Total Net Position reported for governmental activities in the statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	61,001,528	
Less accumulated depreciation	<u>(6,716,544)</u>	54,284,984

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Net deferred outflows related to pensions	428,992	
Net deferred outflows related to OPEB	<u>21,171</u>	450,163

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities.

Compensated absences payable	(41,745)	
Bonds payable	(12,243,495)	
Net pension liability	(1,762,066)	
Other postemployment benefit payable	<u>(81,642)</u>	(14,128,948)

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Net deferred inflows related to ad valorem taxes	263,197	
Net deferred inflows related to pensions	(65,181)	
Net deferred inflows related to OPEB	<u>(12,508)</u>	185,508

Net Position of Governmental Activities (Statement A) \$ 55,125,934

The accompanying notes are an integral part of this financial statement

## STATEMENT C

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE AND STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds	Adjustments (Statement D)	Statement of Activities	
<b>EXPENDITURES/EXPENSES</b>							
Personnel services and related benefits	\$ 716,474	\$ -	\$ -	\$ 716,474	\$ 101,448	\$ 817,922	
Professional services	331,827	-	-	331,827	-	331,827	
Repairs and maintenance	387,532	-	-	387,532	-	387,532	
Operating services	1,563,352	27,213	-	1,590,565	-	1,590,565	
Debt service payments:							
Principal payments	-	-	520,000	520,000	(520,000)	-	
Interest payments	-	-	436,719	436,719	(9,446)	427,273	
Capital outlay	10,154,602	2,207,422	-	12,362,024	(12,362,024)	-	
Depreciation	-	-	-	-	1,223,535	1,223,535	
Total Expenditure/Expenses	<u>13,153,787</u>	<u>2,234,635</u>	<u>956,719</u>	<u>16,345,141</u>	<u>(11,566,487)</u>	<u>4,778,654</u>	
<b>PROGRAM REVENUES</b>							
Capital grants and contributions	<u>5,984,137</u>	<u>-</u>	<u>-</u>	<u>5,984,137</u>		5,984,137	
<b>NET PROGRAM EXPENSES</b>						<u>(1,205,483)</u>	
<b>GENERAL REVENUES</b>							
Ad valorem taxes	4,246,777	-	-	4,246,777	10,439	4,257,216	
Sales Taxes	-	2,989,286	-	2,989,286	-	2,989,286	
Use of money and property	47,264	9,940	1,078	58,282	-	58,282	
Total General Revenues	<u>4,294,041</u>	<u>2,999,226</u>	<u>1,078</u>	<u>7,294,345</u>	<u>10,439</u>	<u>7,304,784</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>							(2,875,609)      764,591      (955,641)      (3,066,659)      11,576,926      -
<b>OTHER FINANCING SOURCES</b>							
Transfer in (out)	-	(961,552)	961,552	-	-	-	
Total Other Financing Sources	<u>-</u>	<u>(961,552)</u>	<u>961,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>							(2,875,609)      (196,961)      5,911      (3,066,659)      3,066,659      NONE
<b>CHANGE IN NET POSITION</b>							-      -      -      NONE      8,510,267      8,510,267
<b>FUND BALANCE/NET POSITION</b>							
Beginning of the year	<u>6,655,139</u>	<u>9,094,709</u>	<u>1,651,038</u>	<u>17,400,886</u>	<u>29,214,781</u>	<u>46,615,667</u>	
End of the year	<u>\$ 3,779,530</u>	<u>\$ 8,897,748</u>	<u>\$ 1,656,949</u>	<u>\$ 14,334,227</u>	<u>\$ 40,791,707</u>	<u>\$ 55,125,934</u>	

The accompanying notes are an integral part of this financial statement

STATEMENT D

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Governmental Fund (Statement C) \$ (3,066,659)

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

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

Capital outlay	12,362,024	
Less accumulated depreciation	<u>(1,223,535)</u>	11,138,489

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

Current year deferred inflows	263,197	
Prior year deferred inflows	<u>(252,758)</u>	10,439

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

Principal payments	520,000	
Amortization of bond premium	<u>9,446</u>	529,446

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

(101,448)

Change in Net Position of Governmental Activities (Statement C) \$ 8,510,267

The accompanying notes are an integral part of this financial statement



STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**INTRODUCTION**

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

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

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**C. Fund Accounting**

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

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

The District reports the following governmental funds:

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

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

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

**D. Measurement Focus and Basis of Accounting**

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

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

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**E. Budgetary Accounting**

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

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

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

**F. Cash and Cash Equivalents**

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

**G. Capital Assets**

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

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

**H. Compensated Absences**

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Estimates**

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

**J. Fund Balance - Governmental Funds**

*Fund Financial Statements:* The North Lafourche Conservation, Levee and Drainage District elected to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, fund balance for the governmental funds are classified as follows:

- a) *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 or enabling legislation or because of constraints that are externally imposed by ordinances or resolutions approved by the Board of the District.
- c) *Committed*- amounts that can be used only for specific purposes determined by formal action of the Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of the District.
- d) *Assigned* – amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted or committed.
- e) *Unassigned*- all other spendable amounts.

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

**K. Ad Valorem Taxes**

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**L. Net Position**

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

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

**M. Deferred Outflows/Inflows of Resources**

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

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

**N. Pension Plan**

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

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**O. Other Post-Employment Benefits (OPEB)**

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

**P. Recent Accounting Pronouncements**

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

**NOTE 2: CASH AND CASH EQUIVALENTS**

At December 31, 2020, the District has cash (book balance) of \$10,293,980 in demand deposits.

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

At December 31, 2020, the District had \$10,431,185 in deposits (collective bank balances), which are secured from risk by federal deposit insurance plus pledged securities in the amount of \$11,810,624.

**NOTE 3: ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2020:

Ad valorem taxes	\$ 4,304,116
Sales taxes	561,011
Due from other governmental agencies	495,128
Total accounts receivable	<u>\$ 5,360,255</u>

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets for the fiscal year ended December 31, 2020, follows:

	<u>Balance</u> <u>December 31, 2019</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>December 31, 2020</u>
Capital assets not being depreciated:				
Land	\$ 1,434,547	\$ -	\$ -	\$ 1,434,547
Construction in progress	<u>2,519,044</u>	<u>1,766,820</u>	<u>(1,933,946)</u>	<u>2,351,918</u>
Total capital assets not being depreciated	<u>3,953,591</u>	<u>1,766,820</u>	<u>(1,933,946)</u>	<u>3,786,465</u>
Capital assets being depreciated:				
Infrastructure	42,659,898	9,679,605	1,933,946	54,273,449
Building & improvements	783,784	-	-	783,784
Machinery & equipment	1,787,500	1,010,800	(731,600)	2,066,700
Office equipment / furniture	<u>87,117</u>	<u>4,013</u>	<u>-</u>	<u>91,130</u>
Total capital assets being depreciated	<u>45,318,299</u>	<u>10,694,418</u>	<u>1,202,346</u>	<u>57,215,063</u>
Less accumulated depreciation:				
Infrastructure	(4,803,311)	(1,085,469)	-	(5,888,780)
Building & improvements	(106,716)	(32,186)	-	(138,902)
Machinery & equipment	(1,159,946)	(92,256)	632,387	(619,815)
Office equipment/furniture	<u>(55,423)</u>	<u>(13,624)</u>	<u>-</u>	<u>(69,047)</u>
Total accumulated depreciation	<u>(6,125,396)</u>	<u>(1,223,535)</u>	<u>632,387</u>	<u>(6,716,544)</u>
<b>Capital assets , net</b>	<u>\$ 43,146,494</u>	<u>\$ 11,237,703</u>	<u>\$ (99,213)</u>	<u>\$ 54,284,984</u>

Depreciation expense for the year ended December 31, 2020, was \$1,223,535

**NOTE 5: ACCOUNTS PAYABLE**

The following is a summary of accounts payable and accruals at December 31, 2020:

Vendors	\$ 887,484
Due to other governments	140,322
Salaries and related benefits	<u>30,073</u>
Total Payables	<u>\$ 1,057,879</u>



STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 6: BONDS PAYABLE**

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

The bonds are payable solely from and secured by an irrevocable pledge and dedication of the District's one-fourth of one percent (0.25%) sales and use tax now being levied and collected by the District. Total sales tax available in the fiscal year 2020 was \$2,989,286. The total principal and interest remaining on the bonds is \$12,090,000 and \$4,166,980, respectively. Interest in the amount of \$436,719 was paid during the fiscal year ending December 31, 2020.

The annual requirements to amortize the bonds outstanding at December 31, 2020, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 530,000	\$ 423,569	\$ 953,569
2022	550,000	407,369	957,369
2023	565,000	390,644	955,644
2024	580,000	373,468	953,468
2025	605,000	352,669	957,669
2026-2030	3,385,000	1,398,651	4,783,651
2031-2035	4,035,000	748,534	4,783,534
2036-2037	1,840,000	72,076	1,912,076
Sub-total	<u>\$ 12,090,000</u>	<u>\$ 4,166,980</u>	<u>\$ 16,256,980</u>
Unamortized Premium	<u>153,495</u>	<u>NONE</u>	<u>153,495</u>
Total	<u>\$ 12,243,495</u>	<u>\$ 4,166,980</u>	<u>\$ 16,410,475</u>

**NOTE 7: PENSIONS**

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 7: PENSIONS (continued)**

**General Information about the Pension Plan**

***Plan Description***

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

***Benefits Provided***

LASERS provides retirement, deferred retirement option ("DROP"), disability and survivor's benefits. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement Benefits**

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

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

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

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**NOTE 7: PENSIONS (continued)**

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

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

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

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

**1. Deferred Retirement Benefits**

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

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

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**NOTE 7: PENSIONS (continued)**

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

**2. Disability Benefits**

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

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

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

**3. Survivor's Benefits**

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

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

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

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**NOTE 7: PENSIONS (continued)**

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

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

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

**Contributions**

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2020, for the various plans follow:

PLAN	PLAN STATUS	EMPLOYER CONTRIBUTION RATE
Regular Employees hired before 07/01/06	Closed	40.10%
Regular Employees hired on or after 07/01/06	Closed	40.10%
Regular Employees hired on or after 01/01/11	Closed	40.10%
Regular Employees hired on or after 07/01/15	Open	40.10%

The District's contractually required composite contribution rate for the year ended December 31, 2020 was 40.70% of annual payroll (January-June) and 40.10% of annual payroll (July-December), 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 \$179,284 for the year ended December 31, 2020.

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

At December 31, 2020, the Employer reported a liability of \$1,762,066 for its proportionate share of the collective Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0.02131%, which was an increase of .0004% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$179,284 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$92,532. The total Pension expense for the year ended December 31, 2020 was \$271,816.

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**NOTE 7: PENSIONS (continued)**

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 16,922
Changes of assumptions	5,638	-
Net difference between projected and actual earnings on pension plan investments	257,580	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,852	48,259
Employer contributions subsequent to the measurement date	89,922	-
Total	<u>\$ 428,992</u>	<u>\$ 65,181</u>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS net pension liability (NPL) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
2021	16,563
2022	58,038
2023	79,599
2024	59,610

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**NOTE 7: PENSIONS (continued)**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

<b>Valuation Date</b>	June 30, 2020
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining</b>	
<b>Service Lives</b>	2 years
<b>Investment Rate of Return</b>	7.55% per annum, net of investment expenses*
<b>Inflation Rate</b>	2.3% per annum
<b>Mortality</b>	<b>Non-disabled members</b> – 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. <b>Disabled members</b> – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.
<b>Salary Increases</b>	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous-Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
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\*The investment rate of return used in the actuarial valuation for funding purposes was 7.90%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.55%, which is the same as the discount rate. Therefore, the System's management concludes that the 7.55% discount is reasonable.

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**NOTE 7: PENSIONS (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Expected Long Term Real Rates of Return</u>	
Cash	-0.59%
Domestic equity	4.79%
International equity	5.83%
Domestic fixed income	1.76%
International fixed income	3.98%
Alternative investments	6.69%
Risk Parity	4.20%
<b>Total Fund</b>	<b>5.81%</b>

***Discount Rate***

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Systems' actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projections future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Net Pension Liability of the participating employers calculated using the discount rate of 7.55%, as well as what the Employer's Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
	(6.55%)	(7.55%)	(8.55%)
Employer's Proportionate Share of Net Pension Liability	\$ 2,165,305	\$ 1,762,066	\$ 1,419,873



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**NOTE 7: PENSIONS (continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

**Payables to the Pension Plan**

At December 31, 2020, the District had \$14,392 in payables to LASERS for the December 31, 2020 employee and employer legally required contributions.

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

**General Information about the Pension Plan**

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

*Plan Description and Benefits Provided*

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2020. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

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

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

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

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

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

**Total Collective OPEB Liability and Changes in Total Collective OPEB Liability**

At December 31, 2020, the District reported a liability of \$81,642 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

The District's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At December 31, 2020 the District's proportion was 0.0010% and the change in proportion from the prior measurement date was 0.0009% or an increase in 0.0001%.

*Actuarial assumptions and other inputs.* The total collective OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial methods, assumptions, and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Cost Method – Entry Age Normal, Level percentage of pay
- Estimated Remaining Service Lives – 4.5
- Inflation rate – Consumer Price Index (CPI) 2.80%
- Salary increase rate – consistent with the pension valuation assumptions
- Discount rate – decreased from 2.79% to 2.66% based on S&P 20-year municipal bond index rate
- Mortality rates - updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018
- Healthcare cost trend rates - 7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth

Changes of the assumptions and other inputs reflect a change in the discount rate from 2.79% as of July 1, 2019, to 2.66% as of July 1, 2020.

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

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

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

	1.0% Decrease <u>(1.66%)</u>	Current Discount Rate <u>(2.66%)</u>	1.0% Increase <u>(3.66%)</u>
Proportionate Share of Total Collective OPEB Liability	\$ 98,370	\$ 81,642	\$ 68,595

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

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

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
Proportionate Share of Total Collective OPEB Liability	\$ 67,718	\$ 81,642	\$ 100,102

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

For the year ended, December 31, 2020, the District recognized OPEB expense of \$6,104. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,878	\$ 157
Changes of assumption or other inputs	2,135	7,813
Changes in employer's proportionate share	17,158	-
Differences between benefit payments and proportionate share of benefit payments	-	4,538
Total	<u>\$ 21,171</u>	<u>\$ 12,508</u>

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

Deferred outflows of resources related to OPEB resulting from the District's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2021	\$ 2,964
2022	2,420
2023	1,906
2024	<u>1,373</u>
	<u>\$ 8,663</u>

**NOTE 9: COMPENSATED ABSENCES**

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

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

At December 31, 2020, employees of the District have accumulated and vested annual leave of \$41,745. The balance was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements

**NOTE 10: LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2020:

	<u>Balance</u>			<u>Balance</u>	<u>Portion</u>
	<u>December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2020</u>	<u>Due Within</u>
					<u>One Year</u>
Bonds Payable	\$ 12,772,941	\$ -	\$ (529,446)	\$ 12,243,495	\$ 530,000
Compensated absences	38,931	30,490	(27,676)	41,745	-
Net Pension Liability	1,572,581	189,485	-	1,762,066	-
OPEB Payable	<u>66,696</u>	<u>14,946</u>	<u>-</u>	<u>81,642</u>	<u>-</u>
Total	<u>\$ 14,451,149</u>	<u>\$ 30,490</u>	<u>\$ (557,122)</u>	<u>\$ 14,128,948</u>	<u>\$ 530,000</u>

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
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**NOTE 11: LEVEE DISTRICT TAXES**

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

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

**NOTE 12: CLAIMS AND LITIGATION**

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

**NOTE 13: COMMITMENTS**

The District is involved in numerous construction and engineering contracts relating to capital projects and other operational engineering consulting. As of December 31, 2020, the District's net commitment is \$3,102,137 of which there are twenty-six commitments totaling \$4,421,226 and the Coastal Restoration Protection Authority (CPRA) commitment for reimbursement is \$1,319,089.

**NOTE 14: RISK MANAGEMENT**

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

**NOTE 15: SUBSEQUENT EVENTS:**

Management has evaluated events through June 17, 2021, the date on which the financial statements were available for issue. Five significant contracts were awarded (1) Low Land Construction, Co. Inc. \$383,463 in regards to the Raceland Prairie District 2 of 12 Seepage Repairs and (2) Clark Construction Enterprises, LLC \$3,236,152 in regards to the Natural Gas Pump District of which CPRA has made a reimbursement commitment of \$2,275,000 and (3) Circle, LLC for \$597,725 in regards to T-Bois Levee FDA and (4) Sealevel Construction \$1,015,703 in regards to the Zeller Larousse, of which CPRA has made a reimbursement commitment of \$1,000,000 and (5) Dynamic Group, LLC \$1,989,758 in regards to the Morganza to the Gulf Reach 2 of which CPRA has made a total reimbursement commitment of \$3,000,000.

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 16: COVID-19 PANDEMIC:**

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our taxpayers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

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**REQUIRED SUPPLEMENTAL INFORMATION (PART B)**

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUNDS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT 1

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Postive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,260,000	\$ 6,810,000	\$ 7,236,063	\$ 426,063
Capital grants and contributions	10,954,739	6,419,423	5,984,137	(435,286)
Surface lease rentals	36,584	32,180	32,180	-
Interest Income	92,600	25,957	26,035	78
Other	1,000	67	67	-
Total revenues	17,344,923	13,287,627	13,278,482	(9,145)
<b>EXPENDITURES</b>				
General Government				
Personnel services and related benefits	881,245	839,050	716,474	122,576
Travel	42,525	14,286	11,323	2,963
Professional services	698,481	341,110	331,827	9,283
Repairs and maintenance	452,025	377,365	387,532	(10,167)
Operating services	812,736	711,796	845,363	(133,567)
Debt service payments:				
Principal payments	510,000	520,000	520,000	-
Interest payments	447,019	436,719	436,719	-
Capital outlay and levee maintenance	25,093,197	13,777,914	13,095,903	682,011
Total expenditures	28,937,228	17,018,240	16,345,141	673,099
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(11,592,305)	(3,730,613)	(3,066,659)	663,954
<b>FUND BALANCE</b>				
BEGINNING OF YEAR	17,400,886	17,400,886	17,400,886	-
END OF YEAR	\$ 5,808,581	\$ 13,670,273	\$ 14,334,227	\$ 663,954

Reconcile budget to GAAP basis: (See Note 1D)

Budget Basis	(3,066,659)
Capital Outlay	12,362,024
Amorization Expense	9,446
Debt Service	520,000
Depreciation	(1,223,535)
Noncurrent resources	(91,009)
GAAP basis	\$ 8,510,267

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



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

STATEMENT 2

Fiscal Year End*	Employer's Portion of the total collective OPEB liability	Employer's proportionate share of the total collective OPEB liability	Employer's covered- employee payroll	Employer's proportionate share of the total collective liability as a percentage of the covered-employee payroll
Louisiana State Employees' Retirement System				
2016	0.0006%	\$55,577	\$146,000	38.07%
2017	0.0006%	\$53,235	\$270,960	19.65%
2018	0.0008%	\$69,241	\$346,606	19.98%
2019	0.0009%	\$66,696	\$363,793	18.33%
2020	0.0010%	\$81,642	\$435,296	18.76%

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

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

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

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

STATEMENT 3

<u>Year*</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension liability</u>	<u>Employer's covered- employee payroll</u>	<u>Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Louisiana State Employees' Retirement System					
2015	0.01383%	\$940,853	\$245,678	383%	62.7%
2016	0.01439%	\$1,129,668	\$256,683	440%	57.7%
2017	0.01858%	\$1,307,463	\$302,565	432%	62.5%
2018	0.01840%	\$1,254,935	\$345,983	363%	64.3%
2019	0.02171%	\$1,572,581	\$431,753	364%	62.9%
2020	0.02131%	\$1,762,066	\$446,850	394%	58.0%

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

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

*For Reference Only:*

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

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

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

STATEMENT 4

Year*	(a) Contractually Required Contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution Deficiency (Excess)	Employer's covered employee payroll	Contributions as a % of covered employee payroll
Louisiana State Employees' Retirement System					
2015	\$93,229	\$93,229	\$ -	\$251,281	37.1%
2016	\$96,602	\$96,602	\$ -	\$264,788	36.5%
2017	\$124,781	\$124,781	\$ -	\$338,486	36.9%
2018	\$134,232	\$134,232	\$ -	\$342,080	39.2%
2019	\$158,825	\$158,825	\$ -	\$431,753	36.8%
2020	\$179,187	\$179,187	\$ -	\$446,850	40.1%

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

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

STATE OF LOUISIANA  
NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended December 31, 2020

**NOTE 1: BUDGETARY COMPARISON SCHEDULE- GENERAL (statement 1)**

While the District reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Budgetary Comparison Schedule presented as RSI is presented on the budgetary basis to provide a meaningful comparison of actual results with the Budget. The budgetary basis has been reconciled to the GAAP basis for the General Fund for the year ended December 31, 2020

**NOTE 2: SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE TOTAL COLLECTIVE OPEB LIABILITY (statement 2)**

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

Changes in assumptions –

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

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

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

In the valuation for 2020, the discount rate decreased from 2.79% to 2.66%

Change in population –

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

**NOTE 3: SCHEDULE OF EMPLOYER'S SHARE OF THE NET PENSION LIABILITY (statement 3)**

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

**NOTE 4: SCHEDULE OF EMPLOYER'S CONTRIBUTION (statement 4)**

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

**Changes of Benefit Terms include:**

- 1.5% COLA, effective July 1, 2014, provided by Acts 102 and the 2014 Louisiana Regular Legislative Session, and
- 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and,
- Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014
- 2018 No Change identified in the 2018 RSI Template, GASB 68 Note B, LASERS CAFR Note A, & Actuarial Valuation. No addition disclosure required
- 2020 No change identified.

**Changes of Assumptions Include:**

There were several changes in assumptions for the June 30, 2017 valuation. The Board adopted a plan to gradually reduced the discount rate from 7.75% to 7.50% in 0.50% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2020. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increased assumptions decreased by .25% In addition, the projected contribution requirement for fiscal year 2018/2020 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016

**OTHER SUPPLEMENTAL INFORMATION**

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**SCHEDULE OF PER DIEM PAID BOARD MEMBERS**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Commissioners	2020
Timothy Allen	\$ 900.00
Louis Andolsek	1,050.00
Rodney Foret	825.00
Percy Gasery	825.00
Cory Kief *	-
Darcy Kiffe	900.00
Kenney Matherne	1,050.00
Adley Peltier	975.00
Elmo Jay Pitre	750.00
Robert Bob Pitre	600.00
Susan Testroet-Bergeron *	-
	\$ 7,875.00

\* Cory Kief & Susan Testroet-Bergeron decline per diem payments.

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

See independent auditor's report.

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

AGENCY HEAD: Dwayne Bourgeois, Executive Director

Purpose	Amount
Salary	\$ 179,010
Benefits-Insurance	19,292
Benefits - Retirement	76,199
Deferred compensation	-
Car allowance	9,600
Cell phone	694
Dues	-
Registration fees	1,140
Conference travel	1,681
Total	\$ 287,616

See independent auditor's report.

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

<i>Federal Grantor / Pass Through Grantor / Program Title</i>	<i>CPRA Project No.</i>	<i>Federal CFDA number</i>	<i>Total federal expenditures</i>
<b>U.S. Department of Interior</b>			
Bureau of Ocean Energy Management			
<i>Gulf of Mexico Energy Security Act (GOMESA)</i>		15.435	
Pass-Through from Coastal Protection Restoration Authority (CPRA)			
40 Arpent Canal, Levee-Lockport Co. Canal to Butch Hill Station	TE-0148		\$ 3,290,470
Gheens Levee Improvement	BA-0218		708,917
Des Allemands FDA Pump Improvement	BA-0232		400,000
US 90@ Bayou Folse Levee Improvement	TE-0152		1,500,000
<b>Total U.S. Department of Interior</b>			<b>\$ 5,899,387</b>

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

For the year ended December 31, 2020

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity of the District under programs of the federal government for the year ended December 31, 2020. The information in this SEFA is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principle, and Audit Requirements for Federal Awards* (Uniform Guidance). Because SEFA presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3: SUBRECIPIENTS**

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

**NOTE 4: NON-CASH ASSISTANCE**

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

**NOTE 5: FINDINGS OF NONCOMPLIANCE**

There were no Federal award findings or questioned cost reported during the audit for the year ended December 31, 2020

See independent auditor's report.



**OTHER REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities, and each major fund of the North Lafourche Conservation, Levee and Drainage District (the "District"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated June 17, 2021.

**Internal Control Over Financial Reporting**

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

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

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

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Lenora B Krielow*

Certified Public Accountant

Jennings, Louisiana  
June 17, 2021



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

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

### **Compliance**

I have audited the North Lafourche Conservation, Levee and Drainage District, (the "District") a component unit of the State of Louisiana, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2020. The District's major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on the compliance for each of the District's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In my opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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### **Report on Internal Control Over Compliance**

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

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

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

### **Purpose of this Report**

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

*Lenora B Krielow*

Certified Public Accountant

Jennings, Louisiana  
June 17, 2021

STATE OF LOUISIANA  
 NORTH LAFOURCHE CONSERVATION, LEVEE AND DRAINAGE DISTRICT  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
 FOR THE YEAR ENDED DECEMBER 31, 2020

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

3. Identification of Major Programs

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

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

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

**MANAGEMENT LETTER:** No management letter issued

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

Current Year Findings:	<b>NONE</b>
Prior Year Findings:	<b>NONE</b>

**COMPLIANCE AND OTHER MATTERS**

Current Year Findings:	<b>NONE</b>
Prior Year Findings:	<b>NONE</b>

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST**

There were no Federal award findings or questioned cost reported during the audit for the year ended December 31, 2020

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