Financial Report

Terrebonne Levee and Conservation District

Houma, Louisiana

June 30, 2021

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

Terrebonne Levee and Conservation District

Houma, Louisiana

June 30, 2021

TABLE OF CONTENTS

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

TABLE OF CONTENTS
(Continued)

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Terrebonne Levee and Conservation District (the "District"), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Levee and Conservation District as of June 30, 2021, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of District Contributions on pages 4 through 12, and 52 through 54, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Morganza to the Gulf Fund, and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on pages 55 through 57, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, on page 63 is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The Schedule of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Morganza to the Gulf Fund, the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed above, the Schedule of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Morganza to the Gulf Fund, Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the Terrebonne Levee and Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
March 29, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Levee and Conservation District
Houma, Louisiana

June 30, 2021

Management's Discussion and Analysis of the Terrebonne Levee and Conservation District's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the additional information contained in the District's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities at the close of fiscal year 2021 by $409,069,541 (net position), which represents a 2.5% increase from last fiscal year.

- The District's capital asset additions included approximately $30,310,000 of levees, floodwalls, and other hurricane protection assets.

- The District's revenue decreased $10,721,338 or 22.9% due primarily to decreases in capital grants from the State of Louisiana.

- The District's total expenses increased $1,752,534 or 7.2% due primarily to the increases in professional services and depreciation expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

<u>OVERVIEW OF THE FINANCIAL STATEMENTS</u> (Continued)

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during the fiscal year 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is public safety (hurricane and flood protection). The government-wide financial statements can be found on pages 13 through 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

Governmental Funds

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds (Continued)

The District maintains three individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Morganza to the Gulf Fund and Debt Service Fund. The District adopts an annual appropriated budget for its General Fund and, although not legally required, Morganza to the Gulf and Debt Service Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 13 through 19 of this report. A budgetary comparison statement for the Morganza to the Gulf Fund has been provided in the Supplementary Information section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 50 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. For fiscal year ended June 30, 2021, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $409,069,541. By far, the largest portion of the District's net position $397,791,783 (97.24%) reflects its net investment in capital assets (e.g., land, building, equipment, hurricane and flood protection). The District uses these capital assets to provide hurricane and flood protection to the citizens of Terrebonne Parish. Consequently, these assets are not available for future spending. The District's restricted net position amounted to $2,052,891. Restrictions placed on net position pertain to spending for capital project spending for the Morganza to the Gulf Hurricane Protection Project. Unrestricted net position amounted to $9,224,867.

<u>GOVERNMENT-WIDE FINANCIAL ANALYSIS</u> (Continued)

Terrebonne Levee and Conservation District
Condensed Statements of Net Position

	June 30, 2021	June 30, 2020	Dollar Change	Total % Change
Current and other assets	$ 16,545,580	$ 21,893,009	$ (5,347,429)	-24.4%
Capital assets	506,083,600	491,165,552	14,918,048	3.0%
Total assets	522,629,180	513,058,561	9,570,619	1.9%
Deferred outflow of resources	12,629,932	1,716,326	10,913,606	635.9%
Total assets and deferred outflows of resources	535,259,112	514,774,887	20,484,225	4.0%
Long-term liabilities outstanding	115,256,190	101,003,514	14,252,676	14.1%
Other liabilities	7,160,579	12,070,947	(4,910,368)	-40.7%
Total liabilities	122,416,769	113,074,461	9,342,308	8.3%
Deferred inflow of resources	3,772,802	2,692,065	1,080,737	40.1%
Total liabilities and deferred inflows of resources	126,189,571	115,766,526	10,423,045	9.0%
Net position:				
Net investment capital assets	397,791,783	396,343,700	1,448,083	0.4%
Restricted	2,052,891	3,226,720	(1,173,829)	-36.4%
Unrestricted	9,224,867	(562,059)	9,786,926	-1741.3%
Total net position	$ 409,069,541	$ 399,008,361	$ 10,061,180	2.5%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the Terrebonne Levee and Conservation District net position by $10,061,180. Key elements of this increase are as follows:

Terrebonne Levee and Conservation District
Condensed Statements of Changes in Net Position

	June 30, 2021	June 30, 2020	Dollar Change	Total % Change
Revenues:				
Taxes	$ 17,348,239	$ 15,940,090	$ 1,408,149	8.8%
Intergovernmental:				
Federal:				
FEMA	4,470,587	2,814,696	1,655,891	58.8%
RESTORE	2,308,733	-	2,308,733	100.0%
State of Louisiana:				
State revenue sharing	120,185	115,495	4,690	4.1%
State reimbursement grants	8,752,883	17,601,347	(8,848,464)	-50.3%
Terrebonne Parish Consolidated Government	2,846,515	9,552,617	(6,706,102)	-70.2%
Miscellaneous:				
Investment income	27,460	89,273	(61,813)	-69.2%
Other	133,736	616,158	(482,422)	-78.3%
Total revenues	36,008,338	46,729,676	(10,721,338)	-22.9%
Expenses:				
Current:				
General government	253,551	207,922	45,629	21.9%
Public safety	21,578,693	20,122,826	1,455,867	7.2%
Debt service	4,114,914	3,863,876	251,038	6.5%
Total expenses	25,947,158	24,194,624	1,752,534	7.2%
Increase in net position	10,061,180	22,535,052	(12,473,872)	-55.4%
Net position beginning of year	399,008,361	376,473,309	22,535,052	6.0%
Net position end of year	$ 409,069,541	$ 399,008,361	$ 10,061,180	2.5%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

As noted earlier, the District's revenue decreased by $10,721,338. The decrease in revenues were led by the effect of decreases of $8,848,464 from state capital grants and $6,706,102 received from the Parish's refunded bonds dedicated to the Morganza to the Gulf Hurricane Protection project. The decrease in state capital grants is primarily due to the receipt of less state grants from the Louisiana Coastal Protection and Restoration Authority for projects performed in Terrebonne Parish. However, the significant decreases in state capital grants was offset by an increase amounting to $3,964,624 from federal grants consisting of disaster grants received from the Federal Emergency Management Agency and funds received from the Gulf Coast Ecosystem Restoration Council as a result of the Gulf Coast Ecosystem Restoration Council Oil Spill Impact program.

Total expenses increased by $1,752,534 or 7.2%. Public safety expenses primarily accounted for the increase. Within the public safety category, the increases were primarily due to increases in insurance expense of $480,021, professional service expenses of $319,714, and an increase in depreciation expense of $937,378. However, significant increases in expenses were offset by a decrease in disaster recovery expenses of $370,475.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $7,095,714 a decrease of $2,291,851 in comparison with the prior year. The unassigned fund balance (deficit) is $(1,285) and $7,096,999 is restricted to indicate that it is not available for discretionary spending because it has already been restricted for capital projects (Morganza-to-the-Gulf) and debt service.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Budgetary Highlights

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

Revenues

- Increase of $149,021 in ad valorem collections to reflect the collections made during the year.
- Decrease of $1,800,000 in reimbursement grants due to anticipation of funds expected to be received in the current year.

Expenditures

- Decrease of $304,284 in personal services to reflect anticipated changes made in employees during the year.
- Decrease of $147,260 in disaster recovery to reflect anticipated payments for high river events.
- Increase of $171,034 in insurance to reflect additional anticipated coverage needs.
- Increase of $176,112 in professional services to reflect anticipated legal settlements.
- Increase of $287,028 in repairs and maintenance in anticipation of necessary servicing of equipment.
- Increase of $209,330 in capital outlay in anticipation of hurricane protection expenditures to be completed during the year.

During the year, budgeted General Fund revenues exceeded actual revenues and expenditures exceeded budgetary estimates. While not legally required to do so, the District prepares an annual budget for the Morganza to the Gulf Capital Projects Fund. During the year anticipated capital outlay on the Morganza to the Gulf Hurricane Protection Project was less than anticipated and resulted in budget decreases in capital expenditures of $6,625,907. Also, capital grant revenues from the state was decreased by $2,982,106 with the anticipation of less grants to be received from the Louisiana Coastal Protection and Restoration Authority. The District decreased budgeted intergovernmental revenues from federal sources by $5,751,138 to reflect anticipated funds received from the Federal Emergency Management Agency and funds received from the Gulf Coast Ecosystem Restoration Council as a result of the Gulf Coast Ecosystem Restoration Council Oil Spill Impact program. For the year ended June 30, 2021, capital project fund revenues were more than the related budgeted amounts and expenditures were less than the related budgeted amounts.

CAPITAL ASSETS

The District's net investment in capital assets for its governmental activities as of June 30, 2021, amounts to $506,083,600 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, and hurricane and flood protection

	June 30, 2021	June 30, 2020	Dollar Change	Total % Change
Land	$ 121,461	$ 121,461	$ -	0.0%
Building	559,662	566,913	(7,251)	-1.3%
Equipment	1,823,019	1,799,748	23,271	1.3%
Hurricane and flood protection	503,579,458	488,677,430	14,902,028	3.0%
Totals	$ 506,083,600	$ 491,165,552	$ 14,918,048	3.0%

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

- Construction and substantial upgrades on the following: Morganza to the Gulf Reaches and projects: 2019 High River Emergency Levee Alignment, Lower Bayou Dularge East Levee Rehabilitation, Reach A Emergency Levee, Point-aux-Chenes Reach J-2, Falgout Canal, and other projects.
- Purchase of tractors with rotary cutters.
- Upgrades to Unit 53 Marsh Buggy.
- Disposal of 2010 Ford F150 Supercrew.
- Disposal of Unit #54 tractor.
- Engineering, design and real estate acquisition associated with the various features of the Morganza to the Gulf Hurricane Protection Project, including the Houma Navigational Canal Lock.

Additional information on the District's capital assets can be found in Note 5 to the financial statements.

LONG-TERM OBLIGATIONS

On September 9, 2021, the District issued $103,595,000 of revenue bonds to advance refund $74,810,000 of outstanding public improvement bonds and to currently refund and call $9,990,000 of Series 2017 Revenue Bonds. On May 1, 2021 the District issued $3,500,000 of revenue bonds to currently replace the existing Revenue Bonds Series-2019. As of June 30, 2021, the District had $99,370,000 of public improvement sales tax bonds outstanding. The District had revenue bonds

LONG-TERM OBLIGATIONS (Continued)

outstanding totaling $3,500,000. In addition, the District recognized a net pension liability of $4,350,950 as its proportionate share of the unfunded pension liability of the Louisiana State Employees Retirement System. Also the District has $2,449,628 in obligations for its other postemployment benefits. More detailed information about the District's long-term obligations is presented in Note 7, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The ad valorem tax revenue budgeted in the General Fund represents the estimated amount of the November 2021 assessment, which the District will receive, for the most part, in January and February 2022.
- In the Morganza to the Gulf Fund the District anticipates receiving $11,500,000 in ½% sales taxes, $2,000,000 in drawdowns of ¼% sales tax collected by the Terrebonne Parish Consolidated Government, and various state funding of approximately $32,000,000.
- The District expects to spend approximately $45,600,000 in capital expenditures on Morganza to the Gulf Hurricane Protection Project.

REQUESTS FOR INFORMATION

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

Exhibit A

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

Terrebonne Levee and Conservation District
Houma, Louisiana

June 30, 2021

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Totals	Adjustments (Exhibit B)	Statement of Net Position
Assets						
Cash and cash equivalents	$ 5,747,097	$ 742,838	$ -	$ 6,489,935	$ -	$ 6,489,935
Receivables - taxes:						
Ad valorem	72,028	-	-	72,028	-	72,028
Sales and use	-	2,219,826	-	2,219,826	-	2,219,826
Due from other funds	2,761,049	-	-	2,761,049	(2,761,049)	-
Due from other governmental units	-	7,763,486	-	7,763,486	-	7,763,486
Security deposits	305	-	-	305	-	305
Capital assets:						
Non-depreciable	-	-	-	-	121,461	121,461
Depreciable, net of accumulated depreciation	-	-	-	-	505,962,139	505,962,139
Total assets	8,580,479	10,726,150	-	19,306,629	503,322,551	522,629,180
Deferred Outflows of Resources						
Deferred refunding on bonds	-	-	-	-	9,461,540	9,461,540
Other postemployment benefits	-	-	-	-	1,202,477	1,202,477
Pensions	-	-	-	-	1,965,915	1,965,915
Total deferred outflows of resources	-	-	-	-	12,629,932	12,629,932
Total assets and deferred outflows of resources	$ 8,580,479	$ 10,726,150	$ -	$ 19,306,629	515,952,483	535,259,112
Liabilities						
Accounts payables and accrued expenditures	$ 357,105	$ 4,711,513	$ -	$ 5,068,618	234,108	5,302,726
Liability for work completed on contracts	157,156	1,200,697	-	1,357,853	-	1,357,853
Due to other funds	-	2,761,049	-	2,761,049	(2,761,049)	-
Due to other governments	500,000	-	-	500,000	-	500,000
Non-current liabilities:						
Due within one year	-	-	-	-	5,212,979	5,212,979
Due after one year	-	-	-	-	110,043,211	110,043,211
Total liabilities	1,014,261	8,673,259	-	9,687,520	112,729,249	122,416,769
Deferred Inflows of Resources						
Ad valorem	2,523,395	-	-	2,523,395	-	2,523,395
Other postemployment benefits	-	-	-	-	1,207,622	1,207,622
Pensions	-	-	-	-	41,785	41,785
Total deferred inflows of resources	2,523,395	-	-	2,523,395	1,249,407	3,772,802
Total liabilities and deferred inflows of resources	3,537,656	8,673,259	-	12,210,915	113,978,656	126,189,571
Fund Balances/Net Position						
Fund balances:						
Restricted-capital projects	-	2,052,891	-	2,052,891	(2,052,891)	-
Restricted-debt service	5,044,108	-	-	5,044,108	(5,044,108)	-
Unassigned	(1,285)	-	-	(1,285)	1,285	-
Total fund balances	5,042,823	2,052,891	-	7,095,714	(7,095,714)	-
Total liabilities and fund balances	$ 8,580,479	$ 10,726,150	$ -	$ 19,306,629		
Net position:						
Net investment in capital assets					397,791,783	397,791,783
Restricted - Morganza to the Gulf Project					2,052,891	2,052,891
Unrestricted					9,224,867	9,224,867
Total net position					$ 409,069,541	$ 409,069,541

See notes to financial statements.

Exhibit B

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

Terrebonne Levee and Conservation District

Houma, Louisiana

June 30, 2021

Fund Balances - Governmental Fund		$ 7,095,714
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	$ 636,490,536	
Less accumulated depreciation	(130,406,936)	506,083,600
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		12,629,932
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest expense	(234,108)	
Bonds payable	(108,291,816)	
Other postemployment benefit obligation	(2,449,628)	
Net pension liability	(4,350,950)	
Compensated absences payable	(163,796)	(115,490,298)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		(1,249,407)
Net Position of Governmental Activities		$ 409,069,541

See notes to financial statements.

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

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Revenues						
Taxes:						
Ad valorem	$ 4,985,430	$ -	$ -	$ 4,985,430	$ -	$ 4,985,430
Sales and use	-	12,362,809	-	12,362,809	-	12,362,809
Intergovernmental:						
Federal:						
FEMA	-	4,470,587	-	4,470,587	-	4,470,587
RESTORE	-	2,308,733	-	2,308,733	-	2,308,733
State of Louisiana:						
State revenue sharing	120,185	-	-	120,185	-	120,185
State reimbursement grants	-	8,752,883	-	8,752,883	-	8,752,883
Terrebonne Parish:						
Consolidated Government:						
Sales tax	-	2,343,241	-	2,343,241	-	2,343,241
Refunded bond proceeds	-	378,274	-	378,274	-	378,274
Other	-	125,000	-	125,000	-	125,000
Miscellaneous:						
Investment earnings	27,460	-	-	27,460	-	27,460
Other	86,081	28,926	-	115,007	18,729	133,736
Total revenues	5,219,156	30,770,453	-	35,989,609	18,729	36,008,338
Expenditures/Expenses						
Current:						
General government:						
Ad valorem tax adjustment	84,475	-	-	84,475	-	84,475
Ad valorem tax deductions	169,076	-	-	169,076	-	169,076
Total general government	253,551	-	-	253,551	-	253,551
Public safety:						
Personal services:						
Salaries and related benefits	2,457,546	-	-	2,457,546	324,790	2,782,336
Supplies and materials:						
Office and shop supplies	54,787	-	-	54,787	-	54,787
Fuel for heavy equipment	92,931	2,653	-	95,584	-	95,584
Other services and charges:						
Disaster recovery	349,475	125,535	-	475,010	-	475,010
Insurance	739,406	-	-	739,406	-	739,406
Occupancy	82,224	461	-	82,685	-	82,685
Professional services	253,693	295,954	-	549,647	-	549,647
Travel and meals	12,355	-	-	12,355	-	12,355
Miscellaneous and other	76,528	113,152	-	189,680	-	189,680
Repairs and maintenance	472,114	358,424	-	830,538	-	830,538
Depreciation	-	-	-	-	15,766,665	15,766,665
Total public safety	4,591,059	896,179	-	5,487,238	16,091,455	21,578,693

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Totals	Adjustments (Exhibit D)	Statement of Activities
Expenditures/Expenses (Continued)						
Debt service:						
Bond issuance costs	-	1,325,939	-	1,325,939	-	1,325,939
Principal payments	-	-	8,768,000	8,768,000	(8,768,000)	-
Interest payments	-	-	4,028,342	4,028,342	(1,239,367)	2,788,975
Total debt service	-	1,325,939	12,796,342	14,122,281	(10,007,367)	4,114,914
Capital outlay:						
General operations	118,052	261,872	-	379,924	(379,924)	-
Hurricane and flood protection	2,768,647	27,539,963	-	30,308,610	(30,308,610)	-
Total capital outlay	2,886,699	27,801,835	-	30,688,534	(30,688,534)	-
Total expenditures/ expenses	7,731,309	30,023,953	12,796,342	50,551,604	(24,604,446)	25,947,158
Excess (Deficiency) of Revenues Over Expenditures	(2,512,153)	746,500	(12,796,342)	(14,561,995)	24,623,175	10,061,180
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	22,550	-	-	22,550	(22,550)	-
Bond proceeds	-	888,000	-	888,000	(888,000)	-
Proceeds of refunding of bonds	-	103,595,000	-	103,595,000	(103,595,000)	-
Premium on bonds	-	2,551,035	-	2,551,035	(2,551,035)	-
Bond refunding cash to escrow agent	-	(94,786,441)	-	(94,786,441)	94,786,441	-
Transfers in	1,371,581	-	12,796,342	14,167,923	(14,167,923)	-
Transfers out	-	(14,167,923)	-	(14,167,923)	14,167,923	-
Total other financing sources	1,394,131	(1,920,329)	12,796,342	12,270,144	(12,270,144)	-
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(1,118,022)	(1,173,829)	-	(2,291,851)	2,291,851	-
Change in Net Position	-	-	-	-	10,061,180	10,061,180
Fund Balances/Net Position						
Beginning of year	6,160,845	3,226,720	-	9,387,565	389,620,796	399,008,361
End of year	$ 5,042,823	$ 2,052,891	$ -	$ 7,095,714	$ 401,973,827	$ 409,069,541

See notes to financial statements.

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

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

Net Change in Fund Balances - Governmental Fund		$ (2,291,851)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 30,688,534	
Depreciation expense	(15,766,665)	
Excess of capital outlay over depreciation expense		14,921,869
The net effect of various miscellaneous transaction involving capital assets, such as sales, trade-ins and dispositions, is to decrease net position.		(3,821)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has an effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal payments	8,768,000	
Bond principal refunded	84,800,000	
Bond proceeds	(888,000)	
Refunding bonds issued	(103,595,000)	
Premiums on bonds issued	(2,551,035)	
Deferred amounts on bond refundings generated	9,986,441	(3,479,594)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of bond premiums	(3,929)	
Amortization of deferred outflows of resources-bonds	(524,901)	
Accrued interest expense	1,768,197	
Other postemployment benefits	(247,915)	
Pension expense	(70,384)	
Compensated absences	(6,491)	914,577
Change in Net Position of Governmental Activities		$ 10,061,180

See notes to financial statements.

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

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Taxes-ad valorem	$ 4,891,477	$ 5,040,498	$ 4,985,430	$ (55,068)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	115,000	127,982	120,185	(7,797)
Reimbursement grants	2,000,000	200,000	-	(200,000)
Miscellaneous:				
Investment earnings	50,000	5,724	27,460	21,736
Other	500	86,081	86,081	-
Total revenues	7,056,977	5,460,285	5,219,156	(241,129)
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	84,475	84,475	84,475	-
Ad valorem tax deductions	169,076	169,076	169,076	-
Total general government	253,551	253,551	253,551	-
Public safety:				
Personal services:				
Salaries and related benefits	2,716,200	2,411,916	2,457,546	(45,630)
Supplies and materials:				
Office and shop supplies	62,000	54,774	54,787	(13)
Fuel for heavy equipment	135,000	93,652	92,931	721
Other services and charges:				
Disaster recovery	500,000	352,740	349,475	3,265
Insurance	402,974	574,008	739,406	(165,398)
Occupancy	62,800	80,988	82,224	(1,236)
Professional services	77,000	253,112	253,693	(581)
Travel and meals	10,000	13,833	12,355	1,478
Miscellaneous and other	14,500	76,885	76,528	357
Repairs and maintenance	185,500	472,528	472,114	414
Total public safety	4,165,974	4,384,436	4,591,059	(206,623)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures (Continued)				
Capital outlay:				
General operations	170,000	192,006	118,052	73,954
Hurricane and flood protection	2,502,787	2,690,111	2,768,647	(78,536)
Total capital outlay	2,672,787	2,882,117	2,886,699	(4,582)
Total expenditures	7,092,312	7,520,104	7,731,309	(211,205)
Deficit of Revenues Over Expenditures	(35,335)	(2,059,819)	(2,512,153)	(452,334)
Other Financing Sources				
Proceeds from sale of capital assets	-	22,550	22,550	-
Transfers in	1,371,581	1,371,581	1,371,581	-
Total other financing sources	1,371,581	1,394,131	1,394,131	-
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures	1,336,246	(665,688)	(1,118,022)	(452,334)
Fund Balance				
Beginning of year	9,148,781	6,160,845	6,160,845	-
End of year	$ 10,485,027	$ 5,495,157	$ 5,042,823	$ (452,334)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne Levee and Conservation District
Houma, Louisiana

June 30, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

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

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

Because of fiscal interdependency the District is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the annual comprehensive financial report of the Parish for the year ended December 31, 2021.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

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

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

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

b) Basis of Presentation

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

Government-wide Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

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

Fund Financial Statements:

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

The following are the governmental funds of the District:

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements:

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

Fund Financial Statements:

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

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

Non-exchange transactions, in which the District receives value without giving value in return, include sales tax, property tax and grants. Grant revenue from the Federal government, the State of Louisiana and Terrebonne Parish Consolidated Government, is recognized in the fiscal year in which all eligibility requirements have been satisfied. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recorded as revenue in the period for which levied. Thus, the 2020 property taxes which are being levied to finance expenditures for the 2021 calendar year will be recognized, as revenue in the calendar year ending December 31, 2021. Accordingly approximately one half of

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements: (Continued)

the 2020 tax levy is recorded as deferred inflows of resources in the General Fund as of June 30, 2021. Ad valorem tax adjustments represent unpaid taxes that are recognized as general government expenditures when the related tax levy is recognized as revenue. Ad valorem tax deductions represent withheld amounts to fund expenditures of the Terrebonne Parish Assessor and are also recognized as general government expenditures when the related tax revenue is recognized. Sales and use taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Miscellaneous revenues are recorded as revenues when received in cash by the District or an intermediary collecting agency because they are generally not measurable or available until actually received.

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

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board adopted a budget for the District's General Fund. The Board also adopted an annual budget for its capital projects fund, Morganza to the Gulf, and Debt Service Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budgets once during the year ended June 30, 2021. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data (Continued)

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

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

f) Accounts Receivable

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

g) Capital Assets

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

Government-wide Financial Statements:

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets (Continued)

Fund Financial Statements:

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

h) Deferred Outflows/Inflows of Resources

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

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

i) Long-Term Obligations

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

Government-wide Financial Statements:

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

Fund Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Compensated Absences

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

In the government-wide financial statements, the net change in accumulated annual leave liability is recorded as an expense and the total a long-term obligation. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, no compensated absences liability is recorded as of June 30, 2021 in the governmental fund-type financial statements.

k) Other Postemployment Benefits

GASB No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement. The District has recorded liabilities for postemployment health care and life insurance benefits as of June 30, 2021.

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Pensions

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

m) Interfund Transactions

In the governmental fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent permanent reallocation of resources between funds. In other words, they are not expected to be repaid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements. As of June 30, 2021, the District did not have any interfund balances loans/borrowing arrangements. Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

n) Fund Equity

Government-wide Statements:

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Government-wide Statements: (Continued)

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

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

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

Fund Financial Statements:

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Fund Financial Statements: (Continued)

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as restricted and unassigned as of June 30, 2021.

o) New GASB Statements

During the year ending June 30, 2021, the District implemented the following GASB Statement:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement did not affect the District's financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organizations and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. This Statement did not affect the District's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

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

Statement No. 87, "*Leases*" increases 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers, postemployment benefits, government acquisitions and financing, insurance related activities of public risk pools, fair value measurements and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at date varying upon issuance to fiscal periods beginning after June 15, 2021. Management has not as yet determined the effect of the Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" provides for those governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not as yet determined the effect of the Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public - private and public - public partnership arrangements (PPPs). As used in the Statement a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange like transaction. The requirements of this Statement are effective for years beginning after June 15, 2022. Management has not as yet determined the effect of the Statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 98, "*The Annual Comprehensive Financial Report*" establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym sounds like a profoundly objectionable racial slur. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Management believes this statement will not affect the District's financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

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

Bank Deposits:

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

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk which requires compliance with state law. As of June 30, 2021, $7,294,542 of the District's bank balance of $7,544,542 (report value of $6,489,465) was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the District's name by state statues.

As of June 30, 2021, deposits in excess of the FDIC insurance were collateralized in accordance with state law by securities held by unaffiliated banks for the account of the District. GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these deposits subject to custodial credit risk.

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

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

Cash on hand	$ 470
Reported amount of deposits	6,489,465
Total cash and cash equivalents	$ 6,489,935

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of 2020. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended June 30, 2021 was $4.89 per $1,000 of assessed valuation on property within Terrebonne Levee and Conservation District for the purpose of acquiring, constructing, maintaining and operating hurricane protection facilities within the District.

Note 3 - PROPERTY TAXES (Continued)

As indicated in Note 1c, taxes levied November 1, 2020 are used to fund expenditures in calendar year 2021, therefore, one half of the 2020 tax levy is recognized as revenues in the fiscal year ended June 30, 2021 and one half in the year ending Juned 30, 2022. The one half of the 2020 tax levy and related state revenue sharing to be recognized as revenues in the fiscal year ending June 30, 2022 amounted to $2,523,395 and is reported as deferred inflows of resources in the General Fund as of June 30, 2021.

Note 4 - DUE TO AND FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2021 consisted of the following:

	General Fund	Morganza to the Gulf Fund
State of Louisiana:		
Coastal Protection and Restoration Authority	$ -	$ 1,023,298
FEMA	-	6,263,369
South Lafourche Levee District	-	440,875
Terrebonne Parish Consolidated Government:		
Sales and use tax department	-	35,944
Totals	$ -	$ 7,763,486

Amounts due to other governmental units as of June 30, 2021 consisted of the following:

	General Fund
State of Louisiana - Coastal Protection and Restoration Authority	$ 500,000

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

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	$ 121,461	$ -	$ -	$ 121,461
Capital assets being depreciated:				
Office building	716,899	15,877	-	732,776
Equipment, furniture, and fixtures	3,931,774	364,047	(81,518)	4,214,303
Hurricane and flood protection system infrastructure	601,113,386	30,308,610	-	631,421,996
Total capital assets being depreciated	605,762,059	30,688,534	(81,518)	636,369,075
Less accumulated depreciation for:				
Office building	(149,985)	(23,129)	-	(173,114)
Equipment, furniture, and fixtures	(2,132,027)	(336,954)	77,697	(2,391,284)
Hurricane and flood protection system infrastructure	(112,435,956)	(15,406,582)	-	(127,842,538)
Total accumulated depreciation	(114,717,968)	(15,766,665)	77,697	(130,406,936)
Total capital assets being depreciated, net	491,044,091	14,921,869	(3,821)	505,962,139
Total capital assets, net	$ 491,165,552	$ 14,921,869	$ (3,821)	$ 506,083,600

Depreciation expense amounted to $15,766,665 and was charged to public safety activities during the year ended June 30, 2021.

Note 5 - CHANGES IN CAPITAL ASSETS (Continued)

Construction Commitments

As of June 30, 2021, the District's commitments with contractors are as follows:

Project	Spent To Date	Remaining Commitment
2019 High River Emergency Levee Alignment	$10,791,221	$1,547,751
Bayou LaCache Refurbish Pump Station and Replace Weir	3,143,118	305,318
Falgout Canal South Levee Tie-In	9,528,249	786,095
Lower Dularge East Levee Embankment & Rehab	4,249,924	1,211,316
PAC Reach J-1 and J-2 Embankment & Rehab	8,293,570	734,949
Reach A Emergency Levee	5,694,577	322,192
Reach J-2 Hurricane Barry Recovery Project	5,246,446	652,816
Reach H1 Water Control Structure Repair	517,805	38,223
Temporary Water Control Structure at Marmande Canal	148,544	116,486
Totals	$47,613,454	$5,715,146

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2021 consisted of the following:

	General Fund	Morganza to the Gulf Fund	Adjustments	Totals
Vendors	$294,094	$4,711,513	$ -	$5,005,607
Accrued salaries and wages	63,011	-	-	63,011
Accrued interest on notes payable	-	-	234,108	234,108
Totals	$357,105	$4,711,513	$234,108	$5,302,726

Note 7 - LONG-TERM OBLIGATIONS

Refunding of Bonds

On September 9, 2020, the District issued $103,595,000 of Revenue Bonds Series-2020A, $85,845,000, and 2020B, $17,750,000, with an average yield of 2.58%, and 2.86%, respectively, to advance refund $74,810,000 of outstanding public improvement bonds and to currently refund and call $9,990,000 Series 2017 Revenue Bonds with an average rates of 4.78% and 2.55%, respectively and issue $10,035,827 of additional bonds. The net proceeds of $104,822,267 (includes bond premium of $2,551,035 and deductions for underwriters' discount of $776,963 and $546,806 of other issuance costs) were used as follows: $84,748,322 of the net proceeds were used to purchase U.S. government securities to provide for the future debt service payments of $84,748,322 of the Series 2013 Bonds as of the July 1, 2023 call date or $113,355,312 as of maturity in 2038 and debt service payments of $10,038,118 of the Series 2017 Bonds as of the 2020 call date or $13,643,767 as of maturity in 2040. The U.S. government securities purchased with the proceeds of the Series 2020A Bonds were deposited into an irrevocable trust with an escrow agent. As a result, the Series 2020A bonds are considered to be defeased and the liability for those bonds will be removed from the Statement of Net Position as of June 30, 2021. The Series 2020B Bonds were called September 9, 2020 and the liability for those bonds have been removed from the Statement of Net Position as of June 30, 2021.

The advance refunding of the public improvement bonds and the current refunding of Series 2017 Revenue Bonds resulted in a difference, $9,986,441, between the reacquisition price, $94,786,441, and the net carrying amount of the old debt, $84,800,000. This difference, will be reported in the financial statements as a deferred outflows of resources from refunding of bonds payable, will be charged to operations through the year 2041 using the effective-interest method. The refunds were undertaken to obtain lower interest rates and additional funding. The District's refunding's resulted in a net savings of approximately $91,500 and an economic gain (difference between the present values of the old and new debt service payments) of approximately $2,524,000.

On May 1, 2021, the District, in connection with the sole bank bondholder, issued $3,500,000 of Revenue Bonds Series-2019 (replacement bonds), with an average yield of 2.65% to currently replace and call $3,500,000 Revenue Bonds Series-2019 held by the sole bank bondholder with an average rate of 3.50%. The non-cash replacement transaction is accounted for and reported as a call and current refunding. The refunding was undertaken to obtain lower interest rates. The District's replacement resulted in a net savings of approximately $264,000.

Note 7 - LONG-TERM OBLIGATIONS (Continued)

The following is a summary of the changes in long-term obligations of the District for the year ended June 30, 2021:

	Payable July 1, 2020	Obligations Retired	New Issues	Payable June 30, 2021	Due Within One Year
Public improvement bonds	$ 77,405,000	$ 77,405,000	$ -	$ -	$ -
Series 2017, revenue bonds	10,000,000	10,000,000	-	-	-
Series 2019, revenue bonds replacement bonds	4,550,000	1,938,000	888,000	3,500,000	700,000
Public improvement sales tax refunding bonds, Series 2020 A	-	4,225,000	85,845,000	81,620,000	4,110,000
Public improvement sales tax refunding bonds, Series 2020 B	-	-	17,750,000	17,750,000	-
Unamortized bond premium	2,866,852	3,194,540	5,749,504	5,421,816	399,050
Accumulated unpaid annual leave	157,305	-	6,491	163,796	-
Net pension liability	3,663,463	-	-	4,350,950	-
Other postemployment benefits	2,360,894	-	-	2,449,628	-
Totals	$ 101,003,514	$ 96,762,540	$ 110,238,995	$ 115,256,190	$ 5,209,050

Compensated absences, other postemployment benefits and net pension liability are described in Notes 1j, 8, and 9, respectively.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2021 assuming the complete drawdown of the Revenue Bonds, Series 2019 are as follows:

Year	Principal	Interest	Totals
2022	$ 4,810,000	$ 2,638,228	$ 7,448,228
2023	4,850,000	2,595,106	7,445,106
2024	4,900,000	2,529,403	7,429,403
2025	4,955,000	2,456,415	7,411,415
2026	5,010,000	2,378,463	7,388,463
2027-2031	22,820,000	10,528,030	33,348,030
2032-2036	25,675,000	7,671,713	33,346,713
2037-2041	29,850,000	3,496,744	33,346,744
Totals	$ 102,870,000	$ 34,294,102	$ 137,164,102

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

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

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

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

Employee Covered by Benefit Terms

Inactive employees currently receiving benefits payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	24
Total	28

The District's total OPEB liability of $2,449,628 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2021
Actuarial valuation date	July 1, 2019
Inflation	2.00%
Salary increases, include inflation	3.00%
Discount rate	2.16%
Healthcare cost trend rates	5.5% until year 2030, then 4.5%

The discount rate was based on the average of the Bond Buyers' 20 Year General Municipal Bond Index as of June 30, 2021.

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to July 1, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	$ 2,360,894
Changes for the year:	
Service cost	203,794
Interest	54,428
Difference between expected and actual experience	(1,260,307)
Changes in assumptions	1,093,922
Benefit payments	(3,103)
Net changes	88,734
Balance as of June 30, 2021	$ 2,449,628

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.16%) or higher (3.16%) than the current discount rate.

	1.0% Decrease (1.16%)	Current Discount Rate (2.16%)	1.0% Increase (3.16%)
Total OPEB Liability	$ 2,843,503	$ 2,449,628	$ 2,136,416

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

	1.0% Decrease (4.50%)	Current Health Cost Trend (5.50%)	1.0% Increase (6.50%)
Total OPEB Liability	$ 2,145,452	$ 2,449,628	$ 2,833,724

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

For the year ended June 30, 2021, the District recognized OPEB expense of $264,764. As of June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 73,349	$ (1,158,387)
Changes in assumptions	1,129,129	(49,235)
Totals	$ 1,202,478	$ (1,207,622)

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

For the Year Ended June 30,	Amount
2022	$(7,204)
2023	(7,204)
2024	(7,204)
2025	(26,170)
2026	7,106
Thereafter	35,532
Total	$(5,144)

Note 9 - PENSION PLAN

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

Benefits Provided. LASERS provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.5% of the average compensation multiplied by the years of creditable service. Members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of service

Note 9 - PENSION PLAN (Continued)

or at age 55 after completing 10 years of service. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing 5 years of service and those hired on or after July 1, 2015 may retire at age 62 upon completing 5 years of service. Additionally, members may choose to retire with 20 years of service at any age with an actuarially reduced benefit. The State legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During DROP participation, accumulated benefits that would have been paid are separately tracked in the participant's DROP account. When participation in DROP ends, the participant must choose among available alternatives for distribution of benefits accumulated in the DROP account. The election to participate in DROP is irrevocable once participation begins. Members with 10 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's compensation and the dependent's relationship to the deceased member. LASERS provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State legislature.

Contributions. The employer contribution rate for all employees is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Contribution requirements of active employees, 7.5% if hired before July, 1 2006 and 8% if hired after June 30, 2006, are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401). The District's contractually required composite contribution rate for the year ended June 30, 2021 was 40.10% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the District were $506,169 for the year ended June 30, 2021.

Pension Liabilities. As of June 30, 2021, the District reported a liability of $4,350,950 for its proportionate share of the 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. As of June 30, 2020, the District's proportion was .05261% which was an increase of .00204% from its proportion measured as of June 30, 2019.

Pension Expense. For the year ended June 30, 2021, the District recognized a pension expense of $544,105.

Note 9 - PENSION PLAN (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$41,785
Net difference between projected and actual earnings on pension plan investments	636,026	-
Change in assumptions	13,922	-
Changes in proportion	809,798	-
District contributions subsequent to the measurement date	506,169	-
Totals	$ 1,965,915	$41,785

The District reported $506,169 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

For the Year Ended June 30,	Amount
2022	$ 890,804
2023	183,418
2024	196,548
2025	147,191
Total	$ 1,417,961

Note 9 - PENSION PLAN (Continued)

Actuarial Assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years.
Investment Rate of Returns	7.55% per annum., net of investment expenses
Inflation Rate	2.3% per annum.
Mortality	**Non-disabled members -** The RP-2014 Blue Collar (males/ females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. **Disabled members -** Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected on a five year (2014 - 2018) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2014 - 2018 experience study of the System's members. The salary increase ranges from 3.0% to 12.8% for regular members.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees and they were deemed not to be substantially automatic.

Note 9 - PENSION PLAN (Continued)

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

Asset Class	Long-Term Expected Real Rate of Return
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%
Total fund	5.81%

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

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The table on the next page presents the District's proportionate share of the collective net pension liability using the discount rate of 7.55%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.55%) or one percentage-point higher (8.55%) than the current rate:

Note 9 - PENSION PLAN (Continued)

	1.0% Decrease (6.55%)	Current Discount Rate (7.55%)	1.0% Increase (8.55%)
District's proportionate share of the collective net pension liability	$ 5,346,641	$ 4,350,950	$ 3,505,997

Note 10 - RISK MANAGEMENT

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

Note 11 - CONTINGENCIES

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

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

Note 12 - STATE OF LOUISIANA TAX ABATEMENT

District property tax revenues for the year ended June 30, 2021 were reduced by $133,722 under the Louisiana Industrial Tax Ad Valorem Tax Exemption Program which were entered into by the State of Louisiana.

Note 13 - COMPENSATION OF BOARD MEMBERS

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

The following amounts were paid to Board Members for the year ended June 30, 2021:

Board Member	Number of Days	Per Diem
Anthony Alford, President	25	$ - *
James Butler	1	118
Tenner Cenac	18	2,120
Carl Chauvin	21	2,473
Walton Daisy	12	1,413
Dan Davis	24	2,826
Leward Henry	25	2,944
Jack Moore	12	1,413
Daniel Walker	21	2,473
Arlanda Williams	17	2,002
		$17,782

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

Note 14 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through March 29, 2022, which is the date the financial statements were available to be issued.

On August 29, 2021, Hurricane Ida made landfall in Southeast Louisiana. As a result, there were significant damages across the region. The financial impact of these events on the District has yet to be determined.

Note 14 - SUBSEQUENT EVENTS (Continued)

In response to Hurricane Ida, the District issued $26,495,000 of Hurricane Recovery Revenue Bonds, Series 2022 on March 28, 2022. The bonds were issued with a maturity date of March 1, 2035, with principal due March 1st beginning on March 1, 2026 and interest due March 1st and September 1st beginning September 1, 2022. The bonds carry and interest rate of 3.75% and are secured by and payable from a pledge of reimbursements from private insurance and grant funding from the Federal Emergency Management Agency (FEMA), and all other funds or revenues received or to be received by the District to the extent legally available for the payment of the principal and interest on the bonds, provided that no such funds or revenues shall be so included which have been or are in the future legally dedicated and required for purposes inconsistent therewith by the electorate, by the terms of specific grants, by the terms of existing obligations previously issued or to be issued, or by operation of law. The bonds call for an initial funding construction drawer of $18,000,000 and a secondary supplemental drawer of $7,000,000 on January 1, 2023. The bond discount totaled $1,242,509 and the bond costs totaled $252,491.

REQUIRED SUPPLEMENTARY INFORMATION

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

Terrebonne Levee and Conservation District
Houma, Louisiana

For the four years ended June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 203,794	$ 106,554	$ 146,972	$ 159,564
Interest	54,428	74,928	67,934	62,000
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(1,260,307)	(202,405)	95,354	(40,177)
Changes in assumptions or other inputs	1,093,922	297,237	98,343	(68,929)
Benefit payments	(3,103)	(2,941)	(2,987)	(2,831)
Net change in total OPEB liability	88,734	273,373	405,616	109,627
Total OPEB liability, beginning of year	2,360,894	2,087,521	1,681,905	1,572,278
Total OPEB liability, end of year	$ 2,449,628	$ 2,360,894	$ 2,087,521	$ 1,681,905
Covered employee payroll	$ 1,210,444	$ 1,175,188	$ 1,090,353	$ 1,058,595
Total OPEB liability as a percentage of covered employee payroll	202.37%	200.90%	191.45%	158.88%
Notes to schedule:				
Changes of benefit terms:	None	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period	2.16%	2.21%	3.50%	3.87%

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

Exhibit H

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

Terrebonne Levee and Conservation District
Houma, Louisiana

For the six years ended June 30, 2021

	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.05261%	0.05057%	0.04552%	0.04753%	0.04713%	0.04304%
District's proportionate share of the net pension liability	$ 4,350,950	$ 3,663,463	$ 3,104,158	$ 3,345,556	$ 3,701,065	$ 2,927,574
District's covered-employee payroll	$ 1,143,192	$ 985,675	$ 1,029,887	$ 1,077,258	$ 1,010,673	$ 943,939
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	380.60%	371.67%	301.41%	310.56%	366.20%	310.14%
Plan fiduciary net position as a percentage of the total pension liability	58.00%	62.90%	64.30%	62.50%	57.70%	62.70%

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

Exhibit I

SCHEDULE OF DISTRICT CONTRIBUTIONS

Terrebonne Levee and Conservation District

Houma, Louisiana

For the six years ended June 30, 2021

	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 506,169	$ 465,279	$ 373,571	$ 390,327	$ 385,658	$ 375,970
Contributions in relation to the contractually required contribution	(506,169)	(465,279)	(373,571)	(390,327)	(385,658)	(375,970)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,073,232	$ 1,143,192	$ 985,675	$ 1,029,887	$ 1,077,258	$ 1,010,673
Contributions as a percentage of covered - employee payroll	47.16%	40.70%	37.90%	37.90%	35.80%	37.20%

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

SUPPLEMENTARY INFORMATION

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

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Taxes-sales and use	$ 11,000,000	$ 11,965,454	$ 12,362,809	$ 397,355
Intergovernmental:				
Federal:				
FEMA	3,000,000	560,399	4,470,587	3,910,188
RESTORE	7,415,741	4,104,204	2,308,733	-
State of Louisiana:				
State reimbursement grants	11,619,027	8,636,921	8,752,883	115,962
Terrebonne Parish Consolidated Government:				
Sales tax	1,850,000	2,192,075	2,343,241	151,166
Refunded bond proceeds	440,859	577,693	378,274	(199,419)
Other	-	-	125,000	125,000
Miscellaneous:				
Investment earnings	10,000	-	-	-
Other	-	28,926	28,926	-
Total revenues	35,335,627	28,065,672	30,770,453	4,500,252
Expenditures				
Public safety:				
Supplies and materials	-	9,634	2,653	6,981
Other services and charges:				
Disaster recovery	-	348,480	125,535	222,945
Occupancy	-	348	461	(113)
Professional services	120,000	251,155	295,954	(44,799)
Miscellaneous and other	110,000	68,357	113,152	(44,795)
Repairs and maintenance	1,140,000	756,989	358,424	398,565
Total public safety	1,370,000	1,434,963	896,179	538,784

Schedule 1
(Continued)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures (Continued)				
Debt service:				
Bond issuance costs	-	1,325,939	1,325,939	-
Capital outlay:				
General operations	250,000	492,560	261,872	230,688
Hurricane and flood protection	38,677,964	31,809,497	27,539,963	4,269,534
Total capital outlay	38,927,964	32,302,057	27,801,835	4,500,222
Total expenditures	40,297,964	35,062,959	30,023,953	5,039,006
Excess (Deficiency) of Revenues Over Expenditures	(4,962,337)	(6,997,287)	746,500	9,539,258
Other Financing Sources (Uses)				
Bond proceeds	-	888,000	888,000	-
Proceeds of refunding of bonds	-	103,595,000	103,595,000	-
Premium on bonds	-	2,551,035	2,551,035	-
Bond refunding cash to escrow agent	-	(94,786,441)	(94,786,441)	-
Transfers out	(14,167,923)	(14,167,923)	(14,167,923)	-
Total other financing sources	(14,167,923)	(1,920,329)	(1,920,329)	-
Deficiency of Revenues and Other Financing Sources Over Expenditures	(19,130,260)	(8,917,616)	(1,173,829)	9,539,258
Fund Balances/Net Position				
Beginning of year	12,230,930	3,226,720	3,226,720	-
End of year	$ (6,899,330)	$ (5,690,896)	$ 2,052,891	$ 9,539,258

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

Terrebonne Levee and Conservation District

Houma, Louisiana

For the year ended June 30, 2021

Agency Head Name: Reggie Dupre, Executive Director

Purpose	
Salary	$ 179,108
Benefits - insurance	24,976
Benefits - retirement	71,822
Benefits - other	-
Car allowance	13,800
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	$ 289,706

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Levee and Conservation District (the "District"), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 29, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

The District's Response to Findings

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana.
March 29, 2022.

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

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

Compliance

We have audited the compliance of Terrebonne Levee and Conservation District, (the "District") a component unit of Terrebonne Parish Consolidated Government, State of Louisiana with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 20, Uniform administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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 our audit of compliance, we 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 our 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, we 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.

Our 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. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
March 29, 2022.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

Federal Grantor/Pass - Through Grantor/Program Title	Federal Assistance Listing	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
U.S. Department of Homeland Security				
Pass-Through Program From Louisiana Office of Homeland Security and Emergency Preparedness:				
Disaster Grants:				
Public Assistance 2020				
Hurricane Laura	97.036	FEMA-DR-4559-LA	$ 2,190,857	
Hurricane Delta	97.036	FEMA-DR-4570-LA	474,635	
Hurricane Zeta	97.036	FEMA-DR-4577-LA	424,606	
Public Assistance 2019				
Hurricane Barry	97.036	FEMA-DR-4458-LA	934,614	
Public Assistance 2017				
Tropical Storm Nate	97.036	FEMA-EM-3392-LA	1,589	
Public Assistance 2012				
Hurricane Isaac	97.036	FEMA-DR-4080-LA	3,410	
Subtotal Louisiana Office of Homeland Security and Emergency Preparedness			4,029,711	-
Pass-Through Program From South Lafourche Levee District:				
Disaster Grants:				
Public Assistance 2020				
Hurricane Delta	97.036	FEMA-DR-4570-LA	128,765	
Hurricane Laura	97.036	FEMA-DR-4559-LA	63,546	
Public Assistance 2019				
Hurricane Barry	97.036	FEMA-DR-4458-LA	248,564	
Subtotal South Lafourche Levee District			440,875	-
Total U.S. Department of Homeland Security			4,470,586	-
Consumer Product Safety Commission				
Gulf Coast Ecosystem Restoration Council Pass-Through Program From Coastal Protection and Restoration Authority of Louisiana:				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052		10,922,123	
Total Consumer Product Safety Commission			10,922,123	-
Total Expenditures of Federal Awards			$15,392,709	$ -

See Notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2021. The information in this SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The District has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - RECONCILIATION TO FINANCIAL STATEMENTS

	U.S. Department of Homeland Security	Consumer Product Safety Commission	Totals
Total federal expenditures reported	$ 4,470,586	$ 10,922,123	$ 15,392,709
Federal expenditures incurred in prior years	(5,000)	(8,613,390)	(8,618,390)
Federal expenditures incurred in current year	$ 4,465,586	$ 2,308,733	$ 6,774,319

Note 4 - SUBRECIPIENTS

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

Note 5 - NON-CASH ASSISTANCE

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

Note 6 - FINDINGS OF NONCOMPLIANCE

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2021.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ None reported

Noncompliance material to financial statements noted? ____ Yes _X_ No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ None reported

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ____ Yes _X_ No

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

c) Identification of Major Programs:

Federal Assistance Listing	Name of Federal Program
87.052	Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program
97.036	Public Assistance

Dollar threshold used to distinguish between

Type A and Type B programs: $750,000

Auditee qualified as a low-risk auditee? ____ Yes _X_ No

Section II - Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2021.

Section III - Federal Award Findings and Questioned Costs

There were no Federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2021.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

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

Internal Control Over Financial Reporting

2020-001 Reporting Cash and Cash Equivalents

Recommendation - Monthly account reconciliations and adjusting journal entries must be prepared for the Regions Bank accounts just as reconciliations and adjusting journal entries are prepared for the operating bank accounts.

Management's Response - Management will review monthly statements received by Regions Bank and record the necessary reconciling transactions in the same manner as the operating bank accounts. **Resolved.**

Compliance and Other Matters

No compliance finds material to the financial statements were noted during the audit for the year ended June 30, 2020.

Section II Internal Control and Compliance Material to Federal Awards

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2020.

Section III Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2020.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Levee and Conservation District
Houma, Louisiana

For the year ended June 30, 2021

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

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2021.

No significant deficiencies were reported during the audit for the year ended June 30, 2021.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2021.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2021.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2021.