CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LA

Financial Report
As of and for the Year Ended
June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Capital Area Groundwater Conservation District
Baton Rouge, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of the Capital Area Groundwater Conservation District (the District), a related organization of the State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Capital Area Groundwater Conservation District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5-8, budgetary comparison information on page 35, schedule of employer's share of net pension liability on pages 37-41, and schedule of employer's proportionate share of the total collective OPEB liability on page 42 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements.

I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Per Diem Paid to District Members and Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer on pages 44-45 are presented for purposes of additional analysis and are not part of the basic financial statements. This supplemental information is the responsibility of management and was derived from is related directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* I have also issued my report dated October 4, 2020, on my consideration of the Capital Area Groundwater Conservation District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Capital Area Groundwater Conservation District's internal control over financial reporting and compliance.

John L. McKowen, CPA

John L. McKowen, CPA

Baton Rouge, Louisiana
October 4, 2020

REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The purpose of this section is to offer a narrative overview and analysis of the Capital Area Groundwater Conservation District's (hereafter referred to as the District) financial performance - past and present - and its future prospects. It focuses, however, on the current year activities, resulting changes and currently known facts. It should be read in conjunction with the financial report taken as a whole.

Overview of the District

The Capital Area Groundwater Conservation District was created under the provisions of Louisiana Revised Statutes 38:3071-3084 to provide for the effective administration, conservation, orderly development, and supplementation of groundwater resources within the conservation district, which is composed of the parishes of East Baton Rouge, East Feliciana, Pointe Coupee, West Baton Rouge, and West Feliciana. The District monitors the usage of groundwater within the District and provides assistance through the United States Geological Survey for the development of new sources of groundwater. The District is governed by a board of commissioners composed of seventeen members appointed by the governor.

The accompanying financial statements of the Capital Area Groundwater Conservation District have been prepared in conformity with generally accepted accounting principles (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.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplemental information. There is also other supplemental schedules and information contained in this report provided for additional information.

Basic Financial Statements. The basic financial statements present information for the District as a whole. Statements in this section include the following:

Statement of Net Position. This statement presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of the Capital Area Groundwater Conservation District is improving or deteriorating.

Statement of Revenues, Expenses and Changes in Net Position. This statement presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements can be found on pages 10-13 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 basic financial statements.

The index of the notes is found on page 15 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

Financial Analysis of the District

Net position is an indicator of the District's financial position from year to year. A summary of net position follows.

SUMMARY OF NET POSITION

	2020	2019
Assets		
Current assets	$ 822,061	$ 1,117,488
Restricted assets	218,169	193,633
Non-current assets	706,549	290,185
Total Assets	1,746,779	1,601,306
Deferred Outflows of Resources	52,511	36,374
Liabilities		
Current liabilities	11,561	75,453
Non-current liabilities	382,280	372,211
Total Liabilities	393,841	447,664
Deferred Inflows of Resources	21,475	12,902
Net position		
Invested in capital assets, net of related debt	706,549	248,772
Restricted	218,169	193,633
Unrestricted	459,256	734,709
Total Net Position	1,383,974	1,177,114

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Between June 30, 2019 and June 30, 2020, the net position of the District increased by $158,392.

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	2020	2019
Operating Revenues	$ 781,525	$ 555,614
Operating Expenses	(577,740)	(402,959)
Operating Income (Loss)	203,785	152,655
Non-operating Revenues (Expenses)	3,075	5,737
Change in Net position	206,860	158,392

Operating revenues increased by $225,911 or 41%. Expenses increased by $174,781 or 43% of those in the prior year.

Cash flow activity of the District for the past two years is as follows:

STATEMENT OF CASH FLOWS

	2020	2019
Cash and cash equivalents provided by (used for):		
Operating activities	$ 39,174	$ 211,872
Non-capital financing activities	-	-
Capital and related financing activities	(478,258)	-
Investing activities	44,488	89,151
Net Increase(decrease) in Cash and Cash Equivalents	(394,596)	302,023
Cash and cash equivalents, beginning of year	1,171,902	869,879
Cash and cash equivalents, end of year	777,306	1,171,902

Budgetary Highlights

Revenues were less than anticipated by $122,100 or 16%. Expenses were less than budgeted $689,740 or 54%. This resulted in a favorable change in net position that was $811,840 more than budgeted.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, net of accumulated depreciation, at June 30, 2020 and 2019, was $706,549 and $248,772, respectively. The most significant capital assets are the District's connector well at a total initial cost of $370,025, and its monitoring well drilled during the current year at a total initial cost of 476,710.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS
Net of Accumulated Depreciation

	2020	2019
Non-depreciable Assets		
Land	$ 11,823	$ 11,823
Depreciable Assets		
Connector well	224,995	232,395
Monitoring well	467,077	-
Online bill payment system	-	2,467
Equipment, furniture and fixtures	2,654	2,087
Total	706,549	248,772

Capital acquisitions during the year included the aforementioned monitoring well and equipment with a total initial cost of $1,649.

Debt Administration: Long-term debt of the District includes compensated absences at amounts of $11,106 and $10,602 at June 30, 2020 and 2019, respectively. There is also an actuarially determined obligation for post-employment benefits of $103,474 at June 30, 2020, down from $114,932 at June 30, 2019, and net pension liability of $267,700, up from $246,677 at June 30, 2019.

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Mr. Gary Beard at 3535 S. Sherwood Forest Boulevard, Suite 137, Baton Rouge, Louisiana 70816, telephone 225-293-7370.

BASIC FINANCIAL STATEMENTS

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Business-type Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 559,137
Accounts receivable, net	257,995
Prepaid expenses	4,929
Total Current Assets	822,061
Restricted Assets	
Cash in funded retiree health benefits trust	218,169
Non-Current Assets	
Capital assets, net of accumulated depreciation	706,549
Total Non-Current Assets	706,549
Total Assets	$ 1,746,779
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	46,699
Deferred outflows related to other post-employment benefits	5,812
Total Deferred Outflows of Resources	$ 52,511
LIABILITIES	
Current Liabilities	
Accounts payable	9,365
Accrued expenses	2,196
Total Current Liabilities	11,561
Non-Current Liabilities	
Compensated absences payable	11,106
Other post-employment benefits plan payable	103,474
Net pension liability	267,700
Total Non-Current Liabilities	382,280
Total Liabilities	$ 393,841
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	556
Deferred inflows related to other post-employment benefits	20,919
Total Deferred Inflows of Resources	$ 21,475
NET POSITION	
Invested in capital assets, net of related debt	706,549
Restricted	218,169
Unrestricted	459,256
Total Net Position	$ 1,383,974

The accompanying notes are an integral part of these statements.

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
YEAR ENDED JUNE 30, 2020

	Business-type Activities
OPERATING REVENUES	
Pumpage fees	$ 781,525
Total Operating Revenues	781,525
OPERATING EXPENSES	
Salaries	109,778
Employee benefits	45,906
Depreciation	20,481
Information technology	13,765
USGS - Real time network	-
USGS - Subsidence wells	-
USGS - Modeling	61,297
LSU - Modeling	3,000
Saltwater remediation	-
Meetings	1,300
Office supplies	1,525
Rent	17,100
Travel	2,192
Postage	344
Insurance	4,377
Dues and subscriptions	693
Office expenses	4,944
Property access	7,000
Professional fees	284,038
Total Operating Expenses	577,740
Operating Income	203,785
NON-OPERATING REVENUES (EXPENSES)	
Interest income	3,075
Total Non-Operating Revenues (Expenses)	3,075
Change in Net Position	206,860
Total Net Position, beginning of year	1,177,114
Total Net Position, ending	$ 1,383,974

The accompanying notes are an integral part of these statements.

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR END JUNE 30, 2020

		Business-type Activities
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	628,912
Cash paid to suppliers for goods/services		(435,493)
Cash paid to employees for services		(154,245)
Net Cash Provided by Operating Activities		39,174
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets		(478,258)
Net Cash Used by Capital and Related Financing Activities		(478,258)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income		3,075
Disposition of investments		41,413
Net Cash Provided by Investing Activities		44,488
Net Decrease in Cash and Cash Equivalents		(394,596)
Cash and Cash Equivalents, beginning of year		1,171,902
Cash and Cash Equivalents, end of year	$	777,306

Continued

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
STATEMENT OF CASHFLOWS (Continued)
YEAR END JUNE 30, 2019

	Business-type Activities
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	$ 203,785
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	20,481
(Increase) decrease in assets:	
Accounts receivable	(122,895)
Prepaid expenses	(810)
(Increase) decrease in deferred outflows of resources:	
Deferred outflows related to pensions	(16,137)
Increase (decrease) in liabilities:	
Accounts payable	(33,108)
Accrued expenses	(1,066)
Unearned revenue	(29,718)
Compensated absences payable	504
Other post-employment benefits plan payable	(11,458)
Net pension liability	21,023
(Increase) decrease in deferred inflows of resources:	
Deferred inflows related to pensions	8,573
Net Cash Provided by Operating Activities	$ 39,174

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

INTRODUCTION

The Capital Area Groundwater Conservation District was created under the provisions of Louisiana Revised Statutes 38:3071-3084 to provide for the effective administration, conservation, orderly development, and supplementation of groundwater resources within the conservation district, which is composed of the parishes of Ascension, East Baton Rouge, East Feliciana, Pointe Coupee, West Baton Rouge, and West Feliciana. The District monitors the usage of groundwater within the District and provides assistance through the United States Geological Survey for the development of new sources of groundwater. The District is governed by a board of commissioners appointed by the governor.

The accompanying financial statements of the Capital Area Groundwater Conservation District have been prepared in conformity with generally accepted accounting principles (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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Capital Area Groundwater Conservation District (the District) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position, results of operations, and cash flows of the District as of and for the year ended June 30, 2020.

Financial Reporting Entity: As required by GASB Statement No. 61, *The Financial Reporting Entity – an amendment of GASB Statements No.14 and No. 34*, the District is considered a related organization of the State of Louisiana. The accompanying financial statements present only the transactions of the Capital Area Groundwater Conservation District.

Basis of Presentation - Fund Accounting: Proprietary funds are used to account for the District's ongoing operations and activities which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resources measurement focus under which all assets and all liabilities associated with the operation of these funds are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. The District maintains one proprietary fund, the General Fund.

Basis of Accounting: The District prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Such principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), excluding those issued after November 30, 1989.

Basis of Reporting: The District has adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and also the required portions of GASB Statement No. 37, *Basic Financial Statements – for State and Local Governments – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*, which modified the disclosure requirements of GASB No. 34. GASB No. 34 established standards for external reporting for all state and local governmental entities. It requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in Capital Assets, Net of Related Debt: This component of net position 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.

Restricted: This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws and regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition of restricted, or invested in capital assets, net of related debt.

Budgets and Budgetary Accounting: Subject to the Louisiana Licensing Agency Budget Act established by Louisiana Revised Statutes 39:1331-1342, the District adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Commission must approve any revisions that alter the total expenditures. Although budget amounts lapse at year end, the District retains its unexpended fund balances to fund expenditures in the succeeding year.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

The District's policy is tailored after Louisiana Revised Statute 49:327 and prohibits investments with maturities extending beyond twelve months. The policy also requires that three quotes be obtained from allowable financial institutions as to interest rates and that the amounts of the investment not exceed an amount insured by FDIC ($250,000) and pledged collateral at any one institution.

Inventory: Inventory of the District includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

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

Capital Assets: Capital assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the District includes all capital acquisitions with a cost of $1,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the District wants to monitor the item.

Compensated Absences: Employees of the District earn and accumulate vacation and sick leave at varying rates depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, however, employees or their heirs are compensated for only up to 300 hours of unused vacation leave. This is computed at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. At June 30, 2020, employees of the District had accumulated and vested $11,106 in employee leave benefits, which was computed in accordance with GASB Codification Section C60.150.

Deferred Outflows/Inflows of Resources: The statement of Financial Position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2020:

	Book Balance	Bank Balance
Interest-bearing demand deposits	$ 777,306	$ 778,466
Total	$ 777,306	$ 778,466

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The District does not have any deposits that fall within this category.

NOTE 3 – RECEIVABLES

The following is a summary of receivables at June 30, 2020:

Class of Receivables	
Pumpage fees	$ 257,995
Total	$ 257,995

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital Assets, not being depreciated:				
Land	$ 11,823	$ -	$ -	$ 11,823
Capital Assets, being depreciated:				
Monitoring wells	370,025	476,610	-	846,635
Less: accumulated depreciation	(137,630)	(16,933)	-	(154,563)
Net Monitoring wells	232,395	459,677	-	692,072
Equipment, furniture and fixtures	23,469	1,649		25,118
Less: accumulated depreciation	(21,382)	(1,082)	-	(22,464)
Net Equipment, etc.	2,087	567	-	2,654
On-line bill payment system	5,000	-	-	5,000
Less: accumulated depreciation	(2,533)	(2,467)	-	(5,000)
Net On-line system	2,467	(2,467)	-	-
Net Capital Assets, being depreciated	236,949	457,777	-	694,726
Net Capital Assets	248,772	457,777	-	706,549

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2020:

Class of Payables	
Trade accounts	$ 9,365
Accrued expenses	2,196
Total	$ 11,561

NOTE 6 – LEAVE

Annual and Sick Leave. The District's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to the employee's immediate supervisor and approved by the Executive Director or his/her designee. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net position, the amount unpaid at June 30, 2020 and 2019, being $11,106 and $10,602, respectively.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. Compensatory leave was not accrued at June 30, 2020.

NOTE 7 – PENSIONS

Summary of Significant Accounting Policies

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.

General Information about the Pension Plan

Plan Description

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

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

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

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

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

1. Deferred Retirement Benefits

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

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

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

2. Disability Benefits

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

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

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

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

3. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child. A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation, and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence, regardless of children. Line of duty survivor benefits cease upon remarriage and then benefit is paid to children under 18.

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

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

Contributions

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

Plan	Plan Status	2019 Employer Rate
Appellate Law Clerks	Closed	37.90%
Appellate Law Clerks hired on or after 7/1/06	Closed	37.90%
Alcohol Tobacco Control	Closed	31.40%
Bridge Police	Closed	36.70%
Bridge Police hired on or after 7/1/06	Closed	36.70%
Corrections Primary	Closed	33.50%
Corrections Secondary	Closed	37.70%
Harbor Police	Closed	7.10%
Hazardous Duty	Open	38.50%
Judges hired before 1/1/11	Closed	40.10%
Judges hired after 12/31/10	Closed	39.00%
Judges hired on or after 7/1/15	Open	39.00%
Legislators	Closed	41.60%
Optional Retirement Plan (ORP) before 7/1/06	Closed	37.90%
Optional Retirement Plan (ORP) on or afer 7/1/06	Closed	37.90%
Peace Officers	Closed	36.70%
Regular Employees hired before 7/1/06	Closed	37.90%
Regular Employees hired on or after 7/1/06	Closed	37.90%
Regular Employees hired on or after 1/1/11	Closed	37.90%
Regular Employees hired on or after 7/1/15	Open	37.90%
Special Legislative Employees	Closed	43.60%
Wildlife Agents	Closed	46.30%
Aggregate Rate		**37.90%**

The information above can be found in the current Employer Pension Audit Report located https://lasersonline.org/employers/gasb-68-resources/. The data provided is sample data only.

The agency's contractually required composite contribution rate for the year ended June 30, 2019 was 37.90% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $34,554 for the year ended June 30, 2020.

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

At June 30, 2020, the Employer reported a liability of $267,700 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Agency's proportion was 0.00370%, which was an increase of 0.00008% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Agency recognized pension expense of $35,804.

At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	1,644	$	(556)
Changes of assumptions	$	2,294	$	-
Net difference between projected and actual earnings on pension plan investments	$	9,249	N/A	
Changes in proportion and differences between Employer contributions and proportionate share of contributions	$	1,779	$	-
Employer contributions subsequent to the measurement date		34,554		-
Total		49,520	$	(556)

The information above can be found in the current GASB 68 Schedules by Employer located https://lasersonline.org/employers/gasb-68-resources/.

$34,554 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	$	10,200
2022	$	(1,802)
2023	$	2,545
2024	$	3,467

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

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

Salary Increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

Cost of Living Adjustments

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019

are summarized in the following table:

Expected Long Term Real Rates of Return

Asset Class	2019
Cash	0.24%
Domestic Equity	4.83%
International Equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total Fund	**6.09%**

The information above can be found in the current Employer Pension Audit Report located https://lasersonline.org/employers/gasb-68-resources/. The data provided is sample data only.

Discount Rate

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

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

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

	1.0% Decrease (6.60%)	Current Discount Rate (7.60%)	1.0% Increase (8.60%)
Employer's proportionate share of the net pension liability	$ 337,871	$ 267,700	$ 208,428

The information above can be found in the current GASB 68 Schedules of Employer located https://lasersonline.org/employers/gasb-68-resources/.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at www.lasersonline.org.

NOTE 8 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan – a defined-benefit, Multi-employer other post-employment benefit plan. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, or Louisiana State Police Retirement System), or they retire from a participating employer that meets the qualifications in the Louisiana

Administrative Code 32:3.303. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. The plan is funded on a "pay-as-you-go" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected ad if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Effective January 1, 2020, retired employees who have Medicare Part A and B coverage also have access to nine fully insured Medicare Advantage Plans.

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

OGB Participation	Employer Share	Retiree Share
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2020, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At June 30, 2020, The District reported a liability of $103,474 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2019, and was determined by an actuarial valuation as of that date.

The District's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. As of July 1, 2019, the most recent measurement date, the District's proportionate share was 0.0013%, or a decrease of 0.0004% from the prior year.

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

- Actuarial Cost Method – Entry Age Normal, level percentage of pay
- Estimated Remaining Service Lives – 4.5
- Inflation Rate – Consumer Price Index (CPI) 2.8%
- Salary Increase Rate – consistent with pension plan disclosed in note 7
- Discount rate – 2.79% based on June 30, 2019 Standard & Poor's 20-year municipal bond index rate
- Mortality Rates – based on RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.
- Healthcare cost trends – 7% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

Changes of assumptions and other inputs from the prior valuation include the following:

- Decrease in discount rate from 2.98% to 2.79%.
- Baseline per capita costs were adjusted to reflect 2019 claims and enrollment, retiree contributions were updated based on 2020 premiums, and the impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums.
- Updated the mortality assumptions using projection scale MP-2018 based on information released by the Society of Actuaries in October 2018.
- Percentage of future retirees assumed to elect medical coverage was adjusted based on recent plan experience.

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

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

	1.0% Decrease (1.79%)	Current Discount Rate (2.79%)	1.0% Increase (3.79%)
Proportionate Share of Total Collective OPEB Liability	$ 121,336	$ 103,474	$ 89,184

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

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

	1.0% Decrease (6%decreasing to 3.5%)	Current Discount Rate 7%decreasing to 4.5%)	1.0% Increase (8%decreasing to 5.5%)
Proportionate Share of Total Collective OPEB Liability	$ 89,714	$ 103,474	$ 120,526

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

For the year ended June 30, 2020, the District recognized OPEB expense of $751. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ (20,919)
Difference between expected and actual experience	$ 5,812	$ -
Total	$ 5,812	$ (20,919)

Deferred outflows of resources related to OPEB resulting from the District's benefit payments subsequent to the measurement date will be recognized as a reduction to the total collective liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30:	
2021	$ (4,343)
2022	(4,343)
2023	(3,662)
2024	(2,759)
Total	$ (15,107)

NOTE 9 – LEASES

Operating Leases. The District has a sixty month lease on its office space requiring a monthly payment of $1,350 or $16,200 per year through December 2019, and then $1,500 per month or $18,000 per year through December, 2022. A copier is leased on a seventy-two month basis from Kyocera with a minimum lease payment of $53 per month or $630 annually.

Capital Leases. The District has no capital leases.

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Amounts Ending Balance	Due Within One Year
Compensated absences	$ 10,602	$ 504	$ -	$ 11,106	$ -
Other post-employment benefits	114,932	-	(11,458)	103,474	-
Net pension liability	246,677	21,023	-	267,700	-
Total	372,211	21,527	(11,458)	382,280	-

NOTE 11– RELATED PARTY TRANSACTIONS

Louisiana Revised Statute 38:3074 specifies that of the eighteen members of the Board of Commissioners of the District, three are appointed from nominations by the industrial users of the District and that another three are appointed from nominations by privately or publicly owned entities that furnish water for rural or municipal use. As a result, at least six members of the Board of Commissioners currently receive salaries or benefits from entities that are regulated by the Commission.

NOTE 12 – CONTINGENT LIABILITIES

There were no contingent liabilities at June 30, 2020 that required disclosure.

NOTE 13 – SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through October 4, 2020, the date that the financial statements were to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR END JUNE 30, 2020

	Budgeted Original	Budgeted Final	Actual	Variance Favorable (Unfavorable)
REVENUES				
Pumpage fees	$ 662,000	$ 662,000	$ 781,525	$ 119,525
Interest income	500	500	3,075	2,575
EBR - Saltwater (USGS model)	34,500	34,500	-	
Parish cooperative agreements	54,320	54,320	-	
LSU modeling study #2	17,000	17,000	-	
Total Revenues	$ 768,320	$ 768,320	$ 784,600	$ 122,100
EXPENDITURES				
Salaries	$ 109,500	$ 109,500	$ 109,778	$ (278)
Other employee expenses	40,000	40,000	45,906	(5,906)
Depreciation	-	-	20,481	(20,481)
Information technology	10,500	13,500	13,765	(265)
USGS - Data collection	6,250	6,250	-	6,250
USGS - Subsidence wells	6,500	6,500	-	6,500
USGS - Modeling	132,200	132,200	61,297	70,903
LSU modeling study #2	20,000	20,000	3,000	17,000
Saltwater remediation	350,000	477,000	-	477,000
Well sampling	20,000	20,000	-	20,000
Parish cooperative agreements	54,320	54,320	-	54,320
Meetings	3,000	3,000	1,300	1,700
Office supplies	2,000	2,000	1,525	475
Rent	17,100	18,300	17,100	1,200
Travel	8,000	8,000	2,192	5,808
Postage	700	700	344	356
Insurance	7,000	7,000	4,377	2,623
Dues and subscriptions	1,200	1,200	693	507
Printing	1,300	1,300	-	1,300
Office expnses	5,400	6,400	4,944	1,456
Property access	10,000	10,000	7,000	3,000
Professional fees	305,600	330,310	284,038	46,272
Total Expenditures	$ 1,110,570	$ 1,267,480	$ 577,740	$ 689,740
Change in Net Position	$ (342,250)	$ (499,160)	$ 206,860	$ 811,840
Net Assets, beginning	$ 1,177,114	$ 1,177,114	$ 1,177,114	
Net Assets, ending	$ 834,864	$ 677,954	$ 1,383,974	

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA

Schedule of Employer's Share of Net Position Liability

For the Ten Years Ended June 30, 2020

	2020	2019	2018	2017	2016
Employer's Proportion of the Net Pension Liability (Asset)	370.00000%	0.00362%	0.00366%	0.00346%	0.00327%
Employer's Proportionate Share of the Net Pension	267,700	246,677	257,621	271,463	222,205
Employer's Covered-Employee Payroll[A]	73,507	67,853	68,245	68,250	62,025
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	364%	364%	377%	398%	358%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability[B]	62.9%	64.3%	65.0%	57.7%	62.7%

Schedule of Employer's Share of Net Position Liability (Continued)

For the Ten Years Ended June 30, 2020

	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.00313%
Employer's Proportionate Share of the Net Pension	195,966
Employer's Covered-Employee Payroll[A]	57,741
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	339%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability[B]	65.0%

Schedule of Employer Contributions
For the Year Ended June 30, 2020

Date	Contractually Required Contribution[1]	Contributions in Relation to Contractually Required Contribution[2]	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll[3]	Contributions as a % of Covered Employee Payroll
2020	29,917	31,733	(1,816)	73,507	43.2%
2019	26,385	25,716	669	67,852	37.9%
2018	24,726	24,509	217	68,245	35.9%
2017	24,509	24,509	-	68,250	35.9%
2016	23,006	24,055	(1,049)	62,005	38.8%
2015	21,480	22,148	(668)	57,741	38.4%

Notes to Required Supplementary Information

1. Schedule of Employer's Share of the Net Pension Liability

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

2. Schedule of Employer's Contributions

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

3. Actuarial Assumptions for Net Pension Liability

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 Years
Investment Rate of Return	7.60% per annum for current year
Inflation Rate	2.5% per annum for current year
Mortality	**Non-disabled members** - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.
	Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year experience study (2014-2018) 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 for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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

Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability
For the Ten Years Ended June 30, 2020

	2020	2019	2018	2017
Employer's Proportion of the Collective OPEB Liability (Asset)	0.0013%	0.0017%	0.0012%	0.0012%
Employer's Proportionate Share of The Collective OPEB Liability	103,474	114,932	108,049	111,350
Employer's Covered-Employee Payroll	73,507	67,852	68,250	68,250
Employer's Proportionate Share of The Collective OPEB Liability (Asset) As a Percentage of its Covered-Employee Payroll	321%	169%	158%	163%

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

Notes to Required Supplementary Information

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

SUPPLEMENTARY INFORMATION

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF PER DIEM PAID TO COMMISSION MEMBERS
JUNE 30, 2020

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem/compensation paid to Commission members is presented for the year ended June 30, 2020.

Name	Amount
Albritton, Ronnie	-0-
Daniel, William, IV	-0-
Dawson, Kenneth	-0-
Frey, Mark	-0-
Hopkins, Lucas	-0-
Hugghins, Barry	-0-
Jennings, John	-0-
McGehee, Dennis	-0-
Metz, Julius	-0-
Morvant, Nelson	-0-
Normand, Joey	-0-
Reonas, Matthew	-0-
Rummler, Jens	-0-
Scardina, Ryan	-0-
Stephens, Thomas	-0-
Talbot, Todd	-0-
Town, Hays, Jr.	-0-
Walton, Mark	-0-
Total	-0-

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
BATON ROUGE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED JUNE 30, 2020

AGENCY HEAD NAME: Anthony J. Duplechin, Director

PURPOSE	**AMOUNT**
Salary	$ 32,001
Travel	3,196
Total	$ 35,197

John L. McKowen
Certified Public Accountant

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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 Commissioners of the
Capital Area Groundwater Conservation District
3132 Valley Creek Drive
Baton Rouge, Louisiana 70808

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Capital Area Groundwater Conservation District, a related organization of the State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Capital Area Groundwater Conservation District's basic financial statements, and have issued my report thereon dated October 4, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit conducted 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.

John L. McKowen, CPA

John L. McKowen, CPA
October 4, 2020

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020

I have audited the basic financial statements of the Capital Area Groundwater Conservation District as of and for the year ended June 30, 2020, and have issued my report thereon dated October 4, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2020, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	x No
	Significant Deficiencies	x No
Compliance	Compliance Material to F/S	x No

CAPITAL AREA GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	x No
	Significant Deficiencies	x No
Compliance	Compliance Material to F/S	x No