ANNUAL FINANCIAL REPORT

NON-FLOOD PROTECTION

ASSET MANAGEMENT AUTHORITY

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2019

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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ERICKSEN KRENTEL
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Non-Flood Protection Asset Management Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Non-Flood Protection Asset Management Authority (the Authority), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

4227 Canal Street
New Orleans, LA 70119
P (504) 486-7275 | F (504) 482-2516

Ericksen Krentel LLP
www.EricksenKrentel.com

3895 Highway 190, Ste 213
Mandeville, LA 70471
P (985) 727-0777 | F (985) 727-6701

To the Board of Commissioners
Non-Flood Protection Asset Management Board
October 31, 2019

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Non-Flood Protection Asset Management Authority as of June 30, 2019 and the respective changes in the financial position and, where applicable, the cash flows thereof 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 the management's discussion and analysis on pages 4 through 9, schedule of revenues, expenditures, and changes in fund balance – governmental funds budget and actual on page 44, and schedules of Proportionate Share of Net Pension Liability, Contributions – Retirement Plan, Proportionate Share of the Collective Net OPEB Liability on pages 4 through 47 and the related notes to required supplemental information on page 48 (together "required supplementary information") are 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 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the combined financial statements that collectively comprise the Authority's basic combined financial statements. The Schedule of Compensation, Benefits is presented for purposes of additional analysis and are not a required part of the basic combined financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Non-Flood Protection Asset Management Board
October 31, 2019

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined 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 combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Benefits and Other Payments to Agency Head 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 October 31, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

October 31, 2019
New Orleans, Louisiana

Ericksen Krentel LLP

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION

The Management's Discussion and Analysis of the Non-Flood Protection Asset Management Authority (the Authority) presents a narrative overview and analysis of the Authority's financial results for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts relating to the Non-Flood Protection Asset Management Authority and the following five organizations:

- South Shore Harbor Marina
- Lakefront Airport
- Orleans Marina
- Lake Vista
- New Basin Canal

These five organizations are accounted for as proprietary funds of the Authority. While the Orleans Levee District owns the assets of these proprietary funds, the Southeast Louisiana Flood Protection Authority – East is prohibited from managing or operating them. Accordingly, they are managed and controlled by the Authority. The powers and duties of the Authority are designated in LA R.S. 38:330.12 and LA R.S. 38:330.12.1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The "government-wide financial statements" are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The "Statement of Net Position" presents information on all of the Authority's assets and liabilities, with the difference between the two 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 Authority is improving or deteriorating.

The Statement of Activities presents information showing how the government'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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish function of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Authority has both governmental activities and business-type activities.

The governmental activities include most of the Authority's basic services such as infrastructure and public works, and general government. Property taxes and operating grants finance most of this activity. The vast majority of governmental activities are related to upkeep of roadways and public recreation areas along Lake Pontchartrain and related activities.

The business-type activities reflect operations that are financed and operated in a manner similar to private businesses where the entity charges a fee for services it provides. The Orleans Levee District's marinas, airport, and business park which are managed by the Authority are included here.

The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor. The Authority is a component unit of the Southeast Louisiana Flood Protection Authority – East, which is a component unit of the State of Louisiana.

FUND FINANCIAL STATEMENTS

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority's funds are classified as "governmental funds" and "proprietary 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. Such information may be useful in evaluating a government's near-term financing requirements.

The proprietary funds for which the Non-Flood Protection Asset Management Authority charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

The Authority maintains two governmental funds that are separated for management purposes. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Statement of Revenues, Expenditures, and Changes In Fund Balances for the following funds: the Orleans Levee District Real Estate Fund and General Improvement Fund. Both of these funds are considered to be "major" funds.

The Non-Flood Protection Asset Management Authority Board adopts annual budgets for both of the governmental and improvement funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget

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.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the operations of the Authority in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Activities and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position presents the current and long-term portions of assets and liabilities separately, as well as deferred inflows and deferred outflows. The difference between assets, deferred outflows, liabilities, and deferred inflows is net position and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities and Changes in Net Position presents information showing how the Authority's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Proprietary Funds' cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Codification 2200.

FINANCIAL HIGHLIGHTS

Condensed Statement of Net Position

The following table describes the net position of the Authority at the end of the current and prior fiscal years:

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 1,308	$ 344	$ 8,521	$ 7,883	$ 9,829	$ 8,227
Capital assets	100	55,115	103	92,915	203	148,030
Total assets	1,408	55,459	8,624	100,798	10,032	156,257
Total deferred outflows of resources	149	229	1,260	492	1,410	721
Current liabilities	1,898	7,092	776	381	2,675	7,473
Long-term liabilities	698	1,971	5,677	4,238	6,375	6,209
Total liabilities	2,596	9,063	6,454	4,619	9,050	13,682
Total deferred inflows of resources	14	12	175	701	189	713
Net investment in capital assets	100	55,115	103	92,915	203	148,030
Unrestricted	(1,153)	(8,553)	3,153	3,055	2,001	(5,498)
Total net position	$ (1,053)	$ 46,562	$ 3,256	$ 95,970	$ 2,203	$ 142,532

- The Authority's total net position at the close of fiscal year 2019 was $2.2 million compared with net position a year earlier of $142.5 million for a decrease of approximately $140 million. This was primarily due to the Authority transferring its revenue generating assets back to the Orleans Levee District on June 30, 2019. The Authority continues to manage the assets through a cooperative endeavor agreement with the Southeast Louisiana Flood Protection Authority – East.

Condensed Statement of Activities and Changes in Net Position

The following table describes the changes in net position of the Authority during the current and prior fiscal years:

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Program revenues	$ 984	$ -	$ 6,238	$ 7,759	$ 7,222	$ 7,759
Program expenses	(2,923)	(3,945)	(9,291)	(8,598)	(12,214)	(12,543)
Program gain (loss)	(1,939)	(3,945)	(3,053)	(840)	(4,993)	(4,784)
General revenues and transfers	(45,675)	2,125	(89,661)	545	(135,336)	2,670
Changes in net position	$ (47,615)	$ (1,820)	$ (92,714)	$ (294)	$ (140,329)	$ (2,114)

- Net program loss increased by approximately $209,000. This is due to lower grant revenues related to construction at the Lakefront Airport, losses on the disposals of certain capital assets, and an increase in the OPEB and Pension liabilities.

Table 3
Capital Assets at Year-end
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Land	$ -	$ 4,114	$ -	$ 22,055	$ -	$ 26,169
Buildings	-	4,619	-	44,160	-	48,779
Improvements	-	919	-	25,332	-	26,251
Equipment	100	63	103	111	203	174
Infrastructure	-	45,399	-	33	-	45,432
Construction-in-progress	-	-	-	1,225	-	1,225
Total capital assets, net	$ 100	$ 55,114	103	92,916	$ 203	$ 148,030

The $148 million decrease in fixed assets was due to the transfer of all land, buildings, improvements, infrastructure, and construction-in-progress back to the Orleans Levee District on June 30, 2019.

LONG-TERM LIABILITIES

The following table lists long-term obligations of the Authority:

Table 4
Long-Term Liabilities, at Year-end
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2018	2019	2018	2019	2018
Compensated absenses	$ 151	$ 85	$ 74	$ 100	$ 225	$ 185
OPEB liability	132	601	1,330	1,293	1,461	1,894
Pension liability	416	1,336	4,273	2,875	4,689	4,211
Total long-term liabilities	$ 698	$ 2,022	5,677	4,268	$ 6,375	$ 6,290

VARIATIONS BETWEEN EXPECTED AND ACTUAL AMOUNTS

The Authority's officials considered many factors when setting the original fiscal year 2019 budget such as anticipated revenues versus salary and benefit expenditures with additional staff, monthly services such as utilities, and expenditures required to maintain the assets (i.e. Trash Pick Up, Grass Cutting, etc.) Capital improvement projects were budgeted based on the remainder of revenues after those expenditures and the availability of grant revenues.

The revenue variance between the actual amounts received versus the original budgeted amount of $640 thousand is due to increased tax revenue, investment income and grant revenues. Variances from the original budgeted expenditures to actual expenditures were a variance of $246 thousand (expenses were under budget) due to decreased machinery and equipment purchases.

Economic Factors and Next Year's Budgets, Rates, and Fees

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

- Changes in organization processes
- Necessary major maintenance and project expenditures
- Additional boat slip capacity in the New Orleans area
- Changes resulting from the CEA with the Southeast Flood Protection Authority – East

Contacting the Authority's Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at New Orleans Lakefront Airport, Terminal Building, Suite 225, 6001 Stars & Stripes Blvd., New Orleans, Louisiana 70122.

BASIC FINANCIAL STATEMENTS

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS:			
Cash and cash equivalents	$ 273,557	$ -	$ 273,557
Investments - LAMP	8,245,763	-	8,245,763
Receivables, net	32,951	202,690	235,641
Internal balances	(7,896,001)	7,896,001	-
Due from SLFPAE	303,227	-	303,227
Due from other governments	343,985	416,556	760,541
Other assets	4,606	6,029	10,635
Total current assets	1,308,088	8,521,276	9,829,364
NON-CURRENT ASSETS:			
Capital assets, net of depreciation	99,874	102,708	202,582
Total noncurrent assets	99,874	102,708	202,582
Total assets	1,407,962	8,623,984	10,031,946
DEFERRED OUTFLOWS OF RESOURCES:			
OPEB deferrals	58,122	291,324	349,446
Pension deferrals	91,066	969,116	1,060,182
Total deferred outflows of resources	149,188	1,260,440	1,409,628
CURRENT LIABILITIES:			
Accounts payable	154,138	2,160	156,298
Deferred revenues	-	565,064	565,064
Due to SLFPAE	1,418,690	-	1,418,690
Due to other agencies	31,950	55,277	87,227
Accrued payroll liabilities	293,377	5,061	298,438
Other liabilities	-	148,890	148,890
Total current liabilities	1,898,155	776,452	2,674,607
NON-CURRENT LIABILITIES:			
Accrued compensated absences	150,756	74,430	225,186
Post-employment benefit liability	131,508	1,329,695	1,461,203
Net pension liability	415,556	4,273,166	4,688,722
Total noncurrent liabilities	697,820	5,677,291	6,375,111
Total liabilities	2,595,975	6,453,743	9,049,718
DEFERRED INFLOWS OF RESOURCES:			
OPEB deferrals	1,481	47,919	49,400
Pension deferrals	12,524	126,626	139,150
Total deferred inflows of resources	14,005	174,545	188,550
NET POSITION:			
Net investment in capital assets	99,874	102,708	202,582
Unrestricted	(1,152,704)	3,153,428	2,000,724
Total net position	$ (1,052,830)	$ 3,256,136	$ 2,203,306

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Postion		
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General government	$ 2,923,115	$ -	$ 983,739	$ (1,939,376)	$ -	$ (1,939,376)
Total governmental activities	2,923,115	-	983,739	(1,939,376)	-	(1,939,376)
Business-Type Activities						
South Shore Harbor Marina	1,961,182	969,633	-	-	(991,549)	(991,549)
Lakefront Airport	6,019,162	2,667,329	13,176	-	(3,338,657)	(3,338,657)
Orleans Marina	867,752	1,317,469	-	-	449,717	449,717
Non-major funds	443,276	1,270,563	-	-	827,287	827,287
Total business-type activities	9,291,372	6,224,994	13,176	-	(3,053,202)	(3,053,202)
Total functions/programs	$ 12,214,487	$ 6,224,994	$ 996,915	(1,939,376)	(3,053,202)	(4,992,578)
		General revenues, special items and transfers:				
		Taxes		2,143,796	-	2,143,796
		Unrestricted investment earnings		156,228	-	156,228
		Miscellaneous income		95,748	390,771	486,519
		Gain (loss) on disposals of assets		5,750	-	5,750
		Transfers (to)/from SLFPAE		(48,076,714)	(90,051,923)	(138,128,637)
		Total general revenues, special items and transfers		(45,675,192)	(89,661,152)	(135,336,344)
		Change in net position		(47,614,568)	(92,714,354)	(140,328,922)
		Net position - beginning of year		46,561,738	95,970,490	142,532,228
		Net position - end of year		$ (1,052,830)	$ 3,256,136	$ 2,203,306

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2019

ASSETS

	NFPAMA OLD Real Estate Fund	NFPAMA General Improvement Fund	Total Governmental Funds
CURRENT ASSETS:			
Cash and cash equivalents	$ 273,557	$ -	$ 273,557
Investments - LAMP	8,245,763	-	8,245,763
Receivables	32,951	-	32,951
Due from other funds	25,580,130	1,286,966	26,867,096
Due from other governments	154,875	189,110	343,985
Other assets	4,607	-	4,607
Total assets	$ 34,291,883	$ 1,476,076	$ 35,767,959

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

	NFPAMA OLD Real Estate Fund	NFPAMA General Improvement Fund	Total Governmental Funds
LIABILITIES:			
Accounts payable	$ 155,004	$ -	$ 155,004
Other accrued	320,648	-	320,648
Due to other funds	32,383,914	3,494,646	35,878,560
Due to other agencies	341	30,743	31,084
Total liabilities	32,859,907	3,525,389	36,385,296
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES:			
Nonspendable:			
Prepaid and other assets	4,607	-	4,607
Unassigned	1,427,369	(2,049,313)	(621,944)
Total fund balances (deficit)	1,431,976	(2,049,313)	(617,337)
Total liabilities, deferred inflows of resources, and fund balances	$ 34,291,883	$ 1,476,076	$ 35,767,959

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

Fund balances - total governmental funds	$	(617,337)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of $1,454,868		99,873
Contributions to the pension plan and benefit plans in the current fiscal year, changes in proportion and differences between employers contribtions and proportion of shared contributions are deferred outflows of resources on the statement of net position:		
Pensions		91,066
OPEB		58,122
Pension and OPEB related deferrals are deferred inflows of resources on the statement of net position:		
Pensions		(1,481)
OPEB		(12,524)
Liabilities that are not due and payable within 60 days of year-end and, therefore, and not reported in the funds		
Accrued compensated absences		(123,485)
Post-employment benefit liability		(131,508)
Net pension liability		(415,556)
Net position of governmental activities	$	(1,052,830)

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	NFPAMA OLD Real Estate Fund	NFPAMA General Improvement Fund	Total Governmental Funds
REVENUES:			
Taxes	$ 2,143,796	$ -	$ 2,143,796
Operating grants	-	983,739	983,739
Other	95,748	-	95,748
Interest earnings	156,228	-	156,228
Total revenues	2,395,772	983,739	3,379,511
EXPENDITURES:			
Flood and drain protection	1,784,106	-	1,784,106
Capital outlay	189,538	983,739	1,173,277
Total expenditures	1,973,644	983,739	2,957,383
Excess (deficiency) of revenues over expenditures	422,128	-	422,128
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	5,750	-	5,750
Transfers in/(out)	5,651,494	-	5,651,494
Total other financing sources (uses)	5,657,244	-	5,657,244
Net change in fund balances	6,079,372	-	6,079,372
Fund balances (deficit) - beginning of year	(4,647,396)	(2,049,313)	(6,696,709)
Fund balances (deficit) - end of year	$ 1,431,976	$ (2,049,313)	$ (617,337)

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Change in fund balances - total governmental funds	$	6,079,372
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position are different because governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset additions		1,173,277
Depreciation expense		(2,458,314)
Transfers of capital assets between proprietary funds and governmental funds do not affect current financial resources and, therefore, are not reported as other uses of funds in the governmental funds		(53,728,208)
Some items reported in the Statement of Activities and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Compensated absences		(255,732)
Post-employment benefit obligation		735,465
Pension expense		839,572
Change in net position	$	(47,614,568)

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AS OF JUNE 30, 2019

	Major Funds			Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	Lake Vista and New Basin Canal	Total Proprietary Funds
CURRENT ASSETS:					
Receivables, net of allowance for uncollectables accounts	$ 69,191	$ 93,449	$ 38,317	$ 1,733	$ 202,690
Due from other funds	6,869,724	5,392,802	7,437,498	10,575,248	30,275,272
Due from other governments	-	413,724	-	2,832	416,556
Other assets	(1,436)	6,524	860	81	6,029
Total current assets	6,937,479	5,906,499	7,476,675	10,579,894	30,900,547
NONCURRENT ASSETS:					
Other capital assets, net of depreciation	10,634	87,530	4,544	-	102,708
Total noncurrent assets	10,634	87,530	4,544	-	102,708
Total assets	6,948,113	5,994,029	7,481,219	10,579,894	31,003,255
DEFERRED OUTLFOWS OF RESOURCES:					
Pension deferrals	138,400	598,940	141,238	90,538	969,116
OPEB deferrals	47,410	177,878	42,817	23,219	291,324
Total deferred outflows of resources	185,810	776,818	184,055	113,757	1,260,440
Total assets and deferred outflow of resources	7,133,923	6,770,847	7,665,274	10,693,651	32,263,695
CURRENT LIABILITIES:					
Accounts payable	-	2,160	-	-	2,160
Due to other funds	4,790,416	16,963,386	445,491	179,978	22,379,271
Due to other governments	25,535	11,840	17,902	-	55,277
Deferred revenue	345,092	219,972	-	-	565,064
Other liabilities	7,522	85,292	21,871	39,266	153,951
Total current liabilities	5,168,565	17,282,650	485,264	219,244	23,155,723
NONCURRENT LIABILITIES:					
Accrued compensated absences	4,997	60,025	9,408	-	74,430
Post-employment benefit liability	189,957	818,274	189,956	131,508	1,329,695
Net pension liability	610,252	2,640,931	622,771	399,212	4,273,166
Total noncurrent liabilities	805,206	3,519,230	822,135	530,720	5,677,291
Total liabilities	5,973,771	20,801,880	1,307,399	749,964	28,833,014
DEFERRED INFLOWS OF RESOURCES:					
OPEB deferrals	18,089	77,923	18,090	12,524	126,626
Pension deferrals	6,843	29,615	6,984	4,477	47,919
Total deferred inflows of resources	24,932	107,538	25,074	17,001	174,545
NET POSITION:					
Net investment in capital assets	10,634	87,530	4,544	-	102,708
Unrestricted	1,124,586	(14,226,101)	6,328,257	9,926,686	3,153,428
Total net position	$ 1,135,220	$ (14,138,571)	$ 6,332,801	$ 9,926,686	$ 3,256,136

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR END JUNE 30, 2019

	Major Funds			Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	Lake Vista and New Basin Canal	Total Proprietary Funds
OPERATING REVENUES:					
Charges for services					
Rentals	$ 969,633	$ 1,884,730	$ 1,317,469	$ 1,270,563	$ 5,442,395
Fuel storage fees	-	782,599	-	-	782,599
Total charges for services	969,633	2,667,329	1,317,469	1,270,563	6,224,994
Miscellaneous income	17,167	365,194	501	7,909	390,771
Total operating revenues	986,800	3,032,523	1,317,970	1,278,472	6,615,765
OPERATING EXPENSES:					
Personnel services	414,597	1,851,149	441,906	255,103	2,962,755
Travel	422	4,076	-	-	4,498
Contractual services	382,732	1,354,773	234,747	114,738	2,086,990
Materials and supplies	17,882	97,231	11,527	4,137	130,777
Professional services	204,701	203,615	85,520	34,611	528,447
Other charges	30,939	13,157	16,407	2,726	63,229
Depreciation	844,854	2,239,660	76,443	31,961	3,192,918
Major maintenance	-	52,218	1,202	-	53,420
Total operating expenses	1,896,127	5,815,879	867,752	443,276	9,023,034
Net operating income (loss)	(909,327)	(2,783,356)	450,218	835,196	(2,407,269)
NONOPERATING REVENUES (EXPENSES):					
Grant income	-	13,176	-	-	13,176
Transfers to governmental activities	(13,857,719)	(71,822,433)	(1,380,073)	(2,991,698)	(90,051,923)
Loss on disposal of assets	(65,055)	(203,283)	-	-	(268,338)
Total nonoperating revenues	(13,922,774)	(72,012,540)	(1,380,073)	(2,991,698)	(90,307,085)
Change in net position	(14,832,101)	(74,795,896)	(929,855)	(2,156,502)	(92,714,354)
Total net position - beginning of year	15,967,321	60,657,325	7,262,656	12,083,188	95,970,490
Total net position - end of year	$ 1,135,220	$ (14,138,571)	$ 6,332,801	$ 9,926,686	$ 3,256,136

The accompanying notes are an integral part of these combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds			Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	Lake Vista and New Basin Canal	Total Proprietary Funds
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:					
Receipts from customers	$ 982,091	$ 2,583,174	$ 1,317,709	$ 1,273,766	$ 6,156,740
Other operating cash receipts	19,217	365,694	501	7,909	393,321
Payments to suppliers	(638,839)	(984,641)	(952,037)	(989,946)	(3,565,463)
Payments to employees	(322,801)	(1,364,744)	(350,617)	(256,320)	(2,294,482)
Net cash from (used in) operating activities	39,668	599,483	15,556	35,409	690,116
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from federal and state grants	-	13,176	-	-	13,176
Purchase of capital assets	(39,668)	(612,659)	(15,556)	(35,409)	(703,292)
Net cash from (used in) capital and related financing activities	(39,668)	(599,483)	(15,556)	(35,409)	(690,116)
Net change in cash	-	-	-	-	-
Cash – beginning of year	-	-	-	-	-
Cash – end of year	$ -	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FROM (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ (909,327)	$ (2,783,356)	$ 450,218	$ 835,196	$ (2,407,269)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:					
Cash flows reported in other categories					
Depreciation expense	844,854	2,239,660	76,443	31,961	3,192,918
Proceeds of fixed asset sales	2,050	500	-	-	2,550
Change in assets and liabilities:					
Receivables, net	12,458	(84,155)	240	3,203	(68,254)
Due from other funds	(1,037,483)	(2,400,777)	(1,046,619)	(1,014,696)	(5,499,575)
Prepaid expenses and other assets	(64)	114,478	22,767	984	138,165
Accounts and other payables	-	(46,599)	-	-	(46,599)
Due to other funds	1,035,383	3,073,327	421,218	179,978	4,709,906
Post-employment benefit liability	4,289	26,242	214,803	(756)	244,578
Net pension liability	197,547	880,388	(26,160)	105,211	1,156,986
Other liabilities	4,573	55,430	6,420	(42,761)	23,662
Accrued compensated absences	(4,929)	(24,762)	4,602	(2,618)	(27,707)
Change in deferred outflows of resources	(115,061)	(475,014)	(114,119)	(63,363)	(767,557)
Change in deferred inflows of resources	5,378	24,121	5,743	3,070	38,312
Net cash from (used in) operating activities	$ 39,668	$ 599,483	$ 15,556	$ 35,409	$ 690,116

The accompanying notes are an integral part of these combined financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Non-Flood Protection Asset Management Authority (Authority) was created by LA R.S. 38:330.12 which placed the non-flood related assets and activities of the Orleans Levee District (OLD) under the management and control the Authority. The statute also states that those assets will continue to be owned by OLD. The creation, powers, duties and functions of the Authority are specified in LA R.S. 38:330.12.1.

The Authority is governed by a Board of Commissioners (the Board), consisting of 17 members. The members shall be composed of the following members who shall be subject to Senate confirmation, provided that no elected official shall be appointed to serve as a member:

- One member appointed by the Southeast Louisiana Flood Protection Authority East (SLFPAE).
- One member appointed by the state senator representing Senate District No. 3 and Senate District No. 4, and by the state representative representing House District No. 97, House District No. 94, House District No. 99, and by the Congressional Representative representing Congressional District No. 1 and Congressional District No. 2. At least one member appointed shall be a lawyer, at least one member shall be a certified public accountant and at least one member shall be a realtor.
- One member appointed by the mayor of the city of New Orleans.
- One member appointed by each New Orleans city council member in whose district a non-flood asset is located.
- Two members appointed jointly by the presidents of the Lakeshore, Lake Vista, Lake Terrace, and Lake Oaks property owners associations.
- One member appointed by the secretary of the Department of Transportation and Development.
- One member appointed by the Lake Pontchartrain Basin Foundation.
- One member appointed by the board for the New Orleans City Park.

Regular monthly meetings of the Board are convened at a place determined by the Board.

The Financial Statements of the Authority include the governmental fund and the general improvement fund, as well as the aggregate results of the enterprise fund assets of OLD which it manages.

The Authority has responsibility not only for the proprietary funds of OLD, but also roadways and public recreation areas along Lake Pontchartrain and all government-type activities related to them. The OLD Real Estate Fund is reported with the governmental funds. The General Improvement Fund is also managed by the Authority.

Measurement Focus, Basis Of Accounting, And Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the Authority as a whole. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, And Financial Statement Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (allocated to functions based on actual revenues and expenditures) and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as general revenues.

Net position is displayed in three components:

- Net Investment in capital assets – consists of capital assets, net of related debt.
- Restricted – when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Basis of Accounting

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements present information only as to the transactions of the Authority as authorized by Louisiana statutes. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements mode, regardless of the measurement focus applied.

The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy.

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. both measurable and available). Measurable means the amount of the transaction can be determined; and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Authority considers most revenues available if they are collected within 60 days after year end. For certain grants for which collectability is assured, but do not meet the availability criteria, the revenue is recorded as unearned revenue. Expenditures generally are recorded when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when paid.

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, And Financial Statement Presentation (Continued)

Fund Balance

In 2012, the Authority adopted the provisions of GASB Codification 1300 *Fund Accounting* and 1800 *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental fund types. In fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy primarily on the extent to which the Authority is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Authority to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

- *Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Authority. Those committed amounts cannot be used for any other purpose unless the Authority removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

- *Assigned* – This component consists of amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. The authorization for assigning fund balance is expressed by the Authority or the designee as established in the Authority's Fund Balance Policy.

- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources in the following order: committed resources first, then assigned, and then unassigned as they are needed.

Net Position

In 2013, the Authority adopted GASB Standards which provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of assets in one period that are applicable to future periods. GASB Statement No. 63 requires that deferred outflows of resources should be reported in a statement of net position in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities. During 2013, the Authority adopted the statement and restated balances previously referred to as net assets to net position.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, And Financial Statement Presentation (Continued)

Net Position (Continued)

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components – net *investment in capital assets* consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets; *restricted* distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and *unrestricted* consisting of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Major Funds

The OLD's Real Estate Fund is used to provide management and administration of non-flood control operations, including OLD's proprietary funds as well as parks, roadways, and bridges. The Authority's General Improvement Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of non-flood protection related capital facilities. This fund is controlled and managed by the Authority.

The South Shore Harbor Marina, Orleans Marina, Lakefront Airport, Lake Vista, and New Basin Canal are proprietary funds used for financial resources received and used for the operation maintenance, and improvement of capital facilities. These funds are controlled and managed by the Authority.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all demand accounts and certificates of deposit with an original maturity of three months or less.

Under state law, the Authority 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 principal offices in Louisiana. State statutes authorize the Authority to invest in United States bonds, treasury notes or certificates. These are classified as investments if the original maturities exceed 90 days. Investments are stated at fair value using published market rates.

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of commercial paper held by the state treasurer. The Authority was fully covered by the Federal Deposit Insurance Corporation ("FDIC") and pledged securities at June 30, 2019.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments - LAMP

The Louisiana Asset Management Pool, ("LAMP") is administered by LAMP, Inc., a non-profit Corporation, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP is rated AAA by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to the account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

Investments in LAMP are stated at amortized cost due to their liquidity.

Receivables

All receivables are shown net of allowance for doubtful accounts.

Interfund Receivables or Payables

The amounts are referred to as either due to or due from other funds, which result from a pooled cash management process. Interfund receivables or payables reflect a cumulative excess of costs (due from) or revenue (due to) generally between the general funds and all other funds. As a general rule, all interfund balances are eliminated in the government-wide financial statements.

Inventory

Supplies and fuel are expensed when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, such as bridges, seawalls, roads, and levees, are reported in the financial statements. In accordance with accounting principles generally accepted in the United States of America and the GASB Codification 2200, governments are required to identify infrastructure assets, including flood control systems. The Authority has recorded the costs of construction for projects identified in its bond documents and will continue to recognize its portion of the cost of infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Authority has implemented a $5,000 minimum capitalization threshold. The Authority's capitalization threshold for infrastructure assets is $2,000,000 to be consistent with the recommendation by the Office of Statewide Reporting and Accounting Policy.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The following are the major classes of capital assets and the related asset lives:

Buildings	20-40 years
Improvements other than buildings	3-40 years
Equipment	5-40 years
Infrastructure	25-50 years

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position 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 expense or expenditure until then. The Authority has one item that meet this criterion – pension-related deferrals. In addition to liabilities, the statement of financial position 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 revenue until then. The Authority has two items that meet the criteria for this category – deferred revenue and pension-related deferrals.

Compensated Absences

Employees earn and accumulate annual and sick leave of various rates, depending on the years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or the employee's estate 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 are used to compute retirement benefits. In addition, it is the Authority's policy to pay any accumulated compensatory leave at the employee's hourly rate of pay at the time of termination.

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 and additions to/deductions from this retirement system's fiduciary net positions have been determined on the same basis as they are reported by the retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Office of Group Benefits (OGB) plan and additions to deductions from the plan's fiduciary net position have been determined on the same basis a s they are reported by the OGB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

In the government-wide financial statements, long-term obligations are recognized as liabilities in the applicable governmental activities statement of net position.

Date of Management's Review

Subsequent events have been evaluated through October 31, 2019, the date the financial statements were available to be issued.

Balance Sheet

Governmental funds include a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic resources measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, long-term debt, accrued compensated absences, net pension liability, post-employment benefits payable, legal settlement payable, and deferred revenue, which are shown on the government-wide but not the governmental fund statements. The statement of revenues, expenditures, and changes in fund balances – governmental funds include reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities. Governmental funds report capital outlays as expenditures; however, in the statement of activities and changes in net position, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. Other differences in recognition include number of months allowed in estimating revenue collections, contributions to the pension plan in the current fiscal year, classification of changes in long term obligations, pension expense, and post-employment benefit and pension expense.

Expenditures are controlled at a major cost category level. The Executive Director may reallocate resources among cost categories and departments so long as aggregate cost does not change. Changes to the budgets that will change total revenue or expense must be approved by the Board.

Budgetary Accounting

By April 1 of each year, the Board submits the annual budgets to the Joint Legislative Committee on the Budget and to the Legislative Auditor of the State of Louisiana for the succeeding fiscal year. The operating and capital budgets include proposed expenditures and the means of financing.

All original budgets were adopted on March 22, 2018. The budget was amended on May 5, 2019. The budgeted amounts are included, respectively, as the original and final budgets in the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Governmental Funds.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting (Continued)

The most significant changes made are described below:

Revenues

Authority's original budget for governmental funds called for a total of $2,739,100 in revenues, with the budget not being amended for revenues. The Authority had a favorable revenue variance of $640,411.

Expenditures

The Authority's original budget for governmental funds called for total expenditures of $3,156,720 and was subsequently amended to $3,203,720. The amended budget to actual variance was favorable by $246,337. Combined variances in the final budget amounts and actual results are shown in the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Governmental Funds.

(2) CASH AND INVESTMENTS

Cash

Cash includes petty cash and demand deposits. Cash equivalents may include amounts in time deposits, money market mutual funds, commercial paper, and United States Treasury bills.

	Cash	LAMP	Total
Balance per agency books	$ 273,557	$ 8,245,763	$ 8,519,320
Deposits in bank and investment accounts per banks	$ 830,767	$ 8,245,763	$ 9,076,530

The total bank balances will not necessarily equal the deposits in bank account per the statement of net position. Deposits in bank accounts are stated at cost, which approximates market value. Under state law, these deposits are secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All balances are covered by sufficient collateral and FDIC coverage.

Investments

At June 30, 2019, the Authority had an investment of $8,245,763 with the Louisiana Asset Management Pool (LAMP), which is included in investments. LAMP is stated at amortized cost, and is therefore not included in the fair value hierarchy.

(3) CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2019 is as follows:

	6/30/2018	Additions	Transfer to SLFPAE	Reductions	6/30/2019
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 4,114,037	$ -	$ (4,114,037)	$ -	$ -
Construction-in-progress	-	1,040,435	(1,040,435)	-	-
Total capital assets not being depreciated	4,114,037	1,040,435	(5,154,472)	-	-
Capital assets being depreciated:					
Buildings	5,652,996	-	(5,567,998)	(84,998)	-
Improvements other than buildings	3,048,438	128,314	(3,156,217)	(20,535)	-
Equipment	312,866	55,262	-	(155,588)	212,540
Infrastructure	82,596,728	-	(82,545,994)	(50,734)	-
Total capital assets being depreciated	91,611,028	183,576	(91,270,209)	(311,855)	212,540
Less accumulated depreciation for:					
Buildings	1,034,248	139,200	(1,088,450)	(84,998)	-
Improvements other than buildings	2,128,994	126,202	(2,236,201)	(18,995)	-
Equipment	249,708	18,546	-	(155,588)	112,666
Infrastructure	37,197,457	2,174,367	(39,371,824)	-	-
Total accumulated depreciation	40,610,407	2,458,315	(42,696,475)	(259,581)	112,666
Total capital assets being depreciated, net	51,000,621	(2,274,739)	(48,573,734)	(52,274)	99,874
Governmental activities capital assets, net	$ 55,114,658	$ (1,234,304)	$ (53,728,206)	$ (52,274)	$ 99,874

(3) CAPITAL ASSETS (CONTINUED)

A summary of changes in proprietary fixed assets for the year ended June 30, 2019 is as follows:

	6/30/2018	Additions	Transfer to SLFPAE	Reductions	6/30/2019
Business-type activity assets:					
Capital assets not being depreciated:					
Land	$ 22,054,734	$ -	$ (22,054,734)	$ -	$ -
Construction-in-progress	1,224,964	626,088	(626,088)	(1,224,964)	-
Total capital assets not being depreciated	23,279,698	626,088	(22,680,822)	(1,224,964)	-
Capital assets being depreciated:					
Buildings	58,442,394	1,287,085	(59,418,565)	(310,914)	-
Improvements other than buildings	101,822,411	15,085	(101,076,790)	(760,706)	-
Equipment	1,427,099	64,766	-	(46,954)	1,444,911
Infrastructure	401,111	-	(401,111)	-	-
Total capital assets being depreciated	162,093,015	1,366,936	(160,896,466)	(1,118,574)	1,444,911
Less accumulated depreciation for:					
Buildings	14,281,922	1,433,405	(15,578,991)	(136,336)	-
Improvements other than buildings	76,490,640	1,718,233	(77,558,590)	(650,283)	-
Equipment	1,316,446	72,710	-	(46,953)	1,342,203
Infrastructure	368,561	19,223	(387,784)	-	-
Total accumulated depreciation	92,457,569	3,243,571	(93,525,365)	(833,572)	1,342,203
Total capital assets being depreciated, net	69,635,446	(1,876,635)	(67,371,101)	(285,002)	102,708
Business-type activities capital assets, net	$ 92,915,144	$ (1,250,547)	$ (90,051,923)	$ (1,509,966)	$ 102,708

(4) COMPENSATED ABSENCES

The cost of leave privileges, computed in accordance with GASB Codification Section C60 *Compensated Absences*, is recognized as an expense when leave is earned. The statement of net position present the cost of accumulated annual and compensatory leave as a liability. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay this amount when employees separate from service. The combined value of accrued annual leave and compensatory leave at June 30, 2019 was $225,186.

(5) RETIREMENT BENEFITS

Plan Description

Employees of the Authority 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 RS 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

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. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. 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.

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 benefits under any one of six different options providing for reduced retirement benefits payable 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.

(5) RETIREMENT BENEFITS (CONTINUED)

Retirement (Continued)

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.

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 but generally is ten years of service.

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Disability Benefits

All 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 or 100% of the final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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 Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with employer portion of the contribution.

(5) RETIREMENT BENEFITS (CONTINUED)

The rates in effect during the year ended June 30, 2019 for the various plans follow:

Plan	Contribution Status	Employee Contribution Rate	Employer Rate
Regular Employees and Appellate Law Clerks			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37.9%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	37.9%
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	8.0%	37.9%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37.9%
Legislators	Closed	11.5%	41.6%
Special Legislative Employees	Closed	9.5%	43.6%
Judges hired before 1/1/2011	Closed	11.5%	40.1%
Judges hired after 12/31/2010	Open	13.0%	39.0%
Corrections Primary	Closed	9.0%	33.5%
Corrections Secondary	Closed	9.0%	37.7%
Wildlife Agents	Closed	9.5%	46.3%
Peace Officers	Closed	9.0%	36.7%
Alcohol Tobacco Control	Closed	9.0%	31.4%
Bridge Police	Closed	8.5%	36.7%
Hazardous Duty	Open	9.5%	38.5%
New Orleans Harbor Police	Closed	9.0%	7.10%

The Authority's contractually required composite contribution rate for the year ended June 30, 2019 was 37.9% 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 Authority were $519,915 for the year ended June 30, 2019.

Refunds of Contributions

If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member's beneficiaries or their estates upon cessation of any survivor's benefits.

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

At June 30, 2019, the Authority reported a liability of $4,688,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Authority's proportion was 0.068750%, which was an increase of .008927% from its proportion measured as of June 30, 2017.

(5) RETIREMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2019, the Authority recognized pension expense of $352,314 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of $222,763.

At June 30, 2019, the Authority 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	$ -	$ 49,400
Change in assumptions	47,711	-
Net difference between projected and actual earnings on pension plan investments	60,797	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	431,759	-
Employer contributions subsequent to the measurement date	519,915	-
Total	$ 1,060,182	$ 49,400

(5) RETIREMENT BENEFITS (CONTINUED)

Deferred outflows of resources of $519,915 related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ending June 30,:

Year ending June 30:		
2020	$	366,208
2021		256,404
2022		(114,585)
2023		(17,160)
Total	$	490,867

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, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years.
Investment Rate of Return	7.65% per annum.
Inflation Rate	2.75% per annum.
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. 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 (2009-2013) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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 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. The target allocation and 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	-0.48%
Domestic equity	23%	4.31%
International equity	32%	5.26%
Domestic fixed income	6%	1.49%
International fixed income	10%	2.23%
Alternative investments	22%	7.67%
Risk Parity	7%	4.96%
Total	100%	5.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. 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.

(5) RETIREMENT BENEFITS (CONTINUED)

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

The following presents the Authority's proportionate share of the Net Pension Liability using the discount rate of 7.65%, as well as what the Authority's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Authority's proportionate share of the net pension liability	$ 5,916,764	$ 4,688,722	$ 3,630,021

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2016 Comprehensive Annual Financial Report at www.lasersonline.org.

(6) OTHER POST-EMPLOYMENT BENEFITS

The OGB administers the State of Louisiana Post Retirement Benefit Plan - a single- employer defined benefit 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 retire under one of the state sponsored retirement systems (LASERS, LSPRS, TRSL, or LSERS). Benefit provisions are established under LRS 42:821 for life insurance benefits and LRS 42:851 for health insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plans are established or may be amended under the authority of Louisiana RS 42:802.

A summary of all members participating in the plan at June 30, 2019 is as follows:

OGB offered to retirees under age 65 three self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage had access to these plans and an additional two fully insured Medicare- Advantage HMO plans, one fully insured plan, and one Zero-Premium HMO plan.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) 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 is based on the following schedule:

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

The plan does not issue a stand-alone financial report.

Funding Policy

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 basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. Effective, July 1, 2008, an OPEB trust fund was statutorily established; however, no plan assets had been accumulated as of June 30, 2019.

Total OPEB Liability

At June 30, 2019, the Authority reported a liability of $1,461,203 for its proportionate share of the total collective OPEB liability. The net OPEB liability was measured as of July 01, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportionate share of the total collective OPEB liability at June 30, 2018 was based on a projection of the Authority's total OPEB liability relative to the projected total OPEB liability of all participating employers, actuarially determined. At July 01, 2018, the Authority's proportion was .017652%, which was a decrease of .004148% from its proportion as measured as of July 01, 2017.

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2018 the Authority recognized OPEB expense of $2,189,250. At June 30, 2019, the employer 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
Differences between expected and actual experience	$ -	$ 6,369
Change in assumptions	-	98,446
Changes in proportion and differences between employer contributions and proportionate share of contributions	257,986	34,335
Employer contributions subsequent to the measurement date	91,460	-
Total	$ 349,446	$ 139,150

The $91,460 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ending June 30:	
2020	$ (26,194)
2021	(26,194)
2022	(40,041)
2023	(26,407)
Total	$ (118,836)

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions and other inputs

The total OPEB liability in the July 01, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.80%
Salary increases	Consistent with the pension valuation assumptions.
Discount rate	2.98% based on the S&P Municipal Bond 20-Year High Grade Rate Index
Healthcare cost trend rates	7% - 4.5%

For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 was used. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 was used.

The actuarial assumptions used by the pension plans covering the same participants were used for the retirement, termination, disability, and salary scale assumptions.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the primary government of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.98%) or one percentage point higher (3.98%) than the current discount rate:

	1% Decrease 1.98%	Current Discount Rate 2.98%	1% Increase 3.98%
Authority's proportionate share of the collective total OPEB liability	$ 1,814,469	$ 1,461,203	$ 1,191,856

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

The following presents the total OPEB liability of the primary government of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Authority's proportionate share of the collective total OPEB liability	$ 1,183,452	$ 1,461,203	$ 1,840,251

(7) LEASES

Operating Leases

The Non-Flood Protection Asset Management Authority manages and leases boat slips, boathouses, and building space to certain parties under operating leases. At June 30, 2019, the total cost of the land, buildings and improvements leased to others is $183 million and are owned by the OLD. At June 30, 2019 these assets had $93.5 million of related accumulated depreciation. Current year rents amount to $5.4 million. The amount derived from contingent rent increases was negligible. The amounts reported represent rents due on non-cancelable leases currently in effect. Future minimum rental payments to be received under these operating leases are as follows for the years ending June 30:

2020	$ 4,461,581
2021	2,380,551
2022	1,691,213
2023	1,204,693
2024	696,271
2025-2029	3,167,723
2020-2034	2,608,636
2035-2039	1,182,044
Remainder of term	2,455,500
Total	$ 19,848,212

(8) LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following schedules summarize the changes in long-term debt during the year ended June 30, 2019:

	Balance 6/30/2018	Additions	Reductions	Balance 6/30/2019	Due Within One Year
Governmental Activities:					
Compensated absences	$ 84,667	$ 66,089	$ -	$ 150,756	$ 27,271
Net pension liability	1,336,177	-	(920,621)	415,556	-
Net OPEB liability	601,119	-	(469,611)	131,508	-
Total governmental activities	2,021,963	66,089	(1,390,232)	697,820	27,271
Business-Type Activities:					
Compensated absences	99,519	-	(25,089)	74,430	-
Net pension liabilities	2,875,217	1,397,949	-	4,273,166	-
Net OPEB liability	1,293,500	36,195	-	1,329,695	-
Total business-type activities	4,268,236	1,434,144	(25,089)	5,677,291	-
Total governmental and business-type activities	$ 6,290,199	$ 1,500,233	$ (1,415,321)	$ 6,375,111	$ 27,271

(9) CONTINGENT LIABILITIES

Litigation

A variety of claims have been made against the Authority and its districts in a number of pending lawsuits. Management has regular litigation reviews, including updates from outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. The Authority accrues an undiscounted liability for those contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Authority does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Authority discloses the nature of the contingency and, where feasible, an estimate of the possible loss. For purposes of our contingency disclosures, "significant" includes material matters as well as other matters which management believes should be disclosed. The Authority and its districts will continue to defend itself vigorously in these matters. Based on a consideration of all relevant facts and circumstances, the Authority does not believe the ultimate outcome of any currently pending lawsuit against the Authority will have a material, or adverse effect upon the Authority's operations, financial condition, or financial statements taken as a whole.

It is the opinion of the Authority, after conferring with legal counsel for the Authority, that several of the potential claims against the Authority, while not classified as "probably," do not have the reasonable possibility of an unfavorable outcome, so no liability has been booked.

Federally Assisted Grant Programs

The Authority participates in a number of federally-assisted grant programs. The programs are subject to compliance audits under the Office of Management and Budget Uniform Grant Guidance. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Authority believes that the amount of disallowances, if any, which may arise from future audits, will not be material.

(10) MEMORANDUM OF UNDERSTANDING

The Authority entered into a memorandum of understanding with SLFPAE on October 1, 2018. As a part of the agreement, the Authority and the proprietary funds of the Authority transferred land, buildings, improvements, infrastructure, and construction-in-progress assets to the OLD. The total assets transferred to OLD had book values of $144 million. The memorandum was also used to clearly define the duties of the Authority and the OLD related to the assets. As a part of the memorandum, the amount due to OLD from the Authority was reduced to $1,311,713.

(11) TAX ABATEMENT

The City of New Orleans (the City) negotiates property tax abatement agreements on behalf of the city and its component units. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The OLD, through the City, has tax abatement agreements with seventeen commercial entities participating in the Restoration Tax Abatement (RTA) program as of June 30, 2019. The RTA projects have property assessed at $366,753,195 with exempt taxes attributable to the OLD of $650,000. The City has not made any commitments as part of the agreements other than to reduce taxes.

(12) SUBSEQUENT EVENT

Subsequent to year end, the Authority changed its name from Non-Flood Protection Asset Management Authority to Lakefront Management Authority.

REQUIRED SUPPLEMENTARY INFORMATION

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Budgetary Amounts		Actual on Budgetary	Variance with Final Budget
	Original	Final	Basis	Positive (Negative)
REVENUES:				
Tax revenue	$ 2,000,000	$ 2,000,000	$ 2,143,796	$ 143,796
Operating grants	684,000	684,000	983,739	299,739
Interest income	30,100	30,100	156,228	126,128
Miscellaneous income	25,000	25,000	95,748	70,748
Total revenues	2,739,100	2,739,100	3,379,511	640,411
EXPENDITURES:				
Personnel services	293,665	293,665	252,776	40,889
Travel and training	15,500	5,500	14,038	(8,538)
Professional services	251,000	308,000	489,308	(181,308)
Contractual services	1,237,255	1,237,255	1,338,620	(101,365)
Materials and supplies	119,300	119,300	117,088	2,212
Other charges	15,000	15,000	41,587	(26,587)
Machinery and equipment	1,225,000	1,225,000	703,966	521,034
Total expenditures	3,156,720	3,203,720	2,957,383	246,337
Excess (deficiency) of revenues over (under) expenditures	(417,620)	(464,620)	422,128	886,748
OTHER FINANCING SOURCES (USES):				
Gain/(loss) on sale of capital assets	-	-	5,750	5,750
Net transfers	-	-	5,651,494	5,651,494
Total other financing (uses)	-	-	5,657,244	5,657,244
Net change in fund balance	(417,620)	(464,620)	6,079,372	
Fund balance, beginning of year	(6,696,709)	(6,696,709)	(6,696,709)	
Fund balance, end of year	$ (7,114,329)	$ (7,161,329)	$ (617,337)	

See independent auditors' report and accompanying notes to combined financial statements.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEUDLE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019*

	2019	2018	2017	2016	2015
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM					
Authority's Proportion of the Net Pension Liability	0.0688%	0.0598%	0.0587%	0.0580%	0.0577%
Authority's Proportionate Share of the Net Pension Liability	$ 4,688,722	$ 4,211,394	$ 4,607,924	$ 3,942,864	$ 3,606,517
Authority's Covered Payroll	$ 1,181,204	$ 1,092,345	$ 1,024,891	$ 983,879	$ 1,017,612
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	396.94%	385.54%	449.60%	400.75%	354.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.5%	62.5%	57.7%	62.7%	65.0%

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

**The amounts presented have a measurement date of June 30, 2018, 2017, 2016, 2015, and 2014, respectively.*

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEUDLE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED JUNE 30,

	2019	2018	2017	2016	2015
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM					
Contractually Required Contribution	$ 519,915	$ 447,993	$ 391,200	$ 381,924	$ 374,236
Contributions in Relation to the Contractually Required Contribution	(519,915)	(447,993)	(3,434,588)	(3,353,153)	(3,285,657)
Contribution Deficiency (Excess)	$ -	$ -	$ (3,043,388)	$ (2,971,229)	$ (2,911,421)
Authority's Covered-Employee Payroll	$ 1,371,808	$ 1,181,204	$ 1,092,345	$ 1,024,891	$ 983,879
Contributions as a Percentage of Covered-Employee Payroll	37.90%	37.93%	314.42%	327.17%	333.95%

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

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEUDLE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019*

	2019	2018	2017
OFFICE OF GROUP BENEFITS			
Authority's Proportion of the Net OPEB Liability	0.02180%	0.02180%	0.02180%
Authority's Proportionate Share of the Net OPEB Liability	$ 1,461,203	$ 1,894,619	$ 1,977,939
Authority's Covered Payroll	$ 1,181,204	$ 1,092,345	$ 1,024,891
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	123.70%	173.45%	192.99%

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

**The amounts presented have a measurement date of July 1, 2018, 2017, and 2016, respectively.*

(1) PENSION PLAN SCHEDULES

Change of Benefit Terms

There was a 1.5% cost of living increase effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

Changes of Assumptions

There were several changes in assumptions for the June 30, 2017 valuation. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018-2019. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%. In addition, the projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

(2) OPEB SCHEDULE

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

Change of Benefit Terms

There were no changes in benefit terms for the July 1, 2018 valuation date.

Changes of Assumptions

There were several changes in assumptions for the July 1, 2018 valuation. The discount rate has decreased from 3.13% to 2.98%. Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updated plan premiums. Demographic assumptions were revised for the Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana to reflect recent experience studies. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018. The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

OTHER SUPPLEMENTARY INFORMATION

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2019

Agency Heads:
Jesse Noel (Executive Director - 7/1/2018 - 12/12/2018)
Louis Capo (Executive Director - 12/13/2018 - 6/30/2019)

	7/1/2018 - 12/12/2018 Jesse Noel	12/13/2018 - 6/30/2019 Louis Capo
Salary	$ 75,000	$ 60,957
Benefits-health insurance	7,712	2,376
Benefits-retirement	30,130	17,316
Benefits-life insurance	-	3,158
Benefits-Fica and Medicare	1,144	559
Car allowance	4,500	4,500
Cell phone	450	-
Conference travel	414	-
	$ 119,350	$ 88,866

SINGLE AUDIT SECTION

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

To the Board of Commissioners
Non-Flood Protection Asset Management Authority

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 *Governmental Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Non-Flood Protection Asset Management Authority (the "Authority") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 31, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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 important enough to merit attention by those charged with governance.

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

ERICKSEN KRENTEL
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Non-Flood Protection Asset Management Authority
October 31, 2019

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

This report is intended solely for the information and use of management, the board of commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 31, 2019
New Orleans, Louisiana

Ericksen Krentel LLP

Certified Public Accountants

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

To the Board of Commissioners
Non-Flood Protection Asset Management Authority

Report on Compliance for Each Major Federal Program

We have audited the Non-Flood Protection Asset Management Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2019. The Authority'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, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority'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 200, *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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority 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, 2019.

ERICKSEN KRENTEL
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Non-Flood Protection Asset Management Authority
October 31, 2019

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority'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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 internal control over compliance was for the limited purpose described in the first paragraph of 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.

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.

This report is intended solely for the information and use of management, the board of commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 31, 2019
New Orleans, Louisiana

Ericksen Krentel LLP

Certified Public Accountants

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Total Grant Award	Federal Expenditures
U.S. Department of Transportation				
Pass - Through Louisiana Department of Transportation and Development				
Recreational Trails Program	20.219	H.011847	$ 981,536	$ 755,732
Federal Aviation Administration				
Airport Improvement Program	20.106	03-22-0038-028-2014	99,225	2,644
Airport Improvement Program	20.106	03-22-0038-029-2016	237,510	47,070
Airport Improvement Program	20.106	03-22-0038-031-2018	292,472	208,543
Total Federal Aviation Administration				258,257
Total expenditures of federal awards				$ 1,013,989

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS AND* TITLE 2 *U.S. CODE OF FEDERAL REGULUATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

All federal grant operations of the Non-Flood Protection Asset Management Authority ("the Authority) are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Recreational Trails Program (CFDA No. 20.219)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2019.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Authority has met the qualifications for the respective grants.

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the Authority. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures will be reversed in the remaining grant period.

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2019.

NOTE 4 – INDIRECT COST RATE

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Non-Flood Protection Asset Management Authority.

2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the Non-Flood Protection Asset Management Authority were reported in the 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.*

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for the Non-Flood Protection Asset Management Authority expresses an unmodified opinion.

6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).

7. No management letter was issued for the year ended June 30, 2019.

8. The programs tested as major programs were:

	CFDA Number
Recreational Trails Program	20.219

9. The threshold for distinguishing Types A and B programs was $750,000.

10. Non-Flood Protection Asset Management Authority was not determined to be a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2019.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to major federal award programs for the year ended June 30, 2019.

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not Applicable

SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

Not Applicable

SECTION III - MANAGEMENT LETTER

Not Applicable

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2019

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, no corrective action plan is required as a part of this section.