ANNUAL FINANCIAL REPORT

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST

FOR THE YEAR ENDED

JUNE 30, 2026



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ERICKSEN KRENTEL LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Southeast Louisiana Flood Protection Authority - East and
Lakefront Management Authority Board

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority - East (the Authority), as of and for the year ended June 30, 2026, and the related notes to the combined financial statements, which collectively comprise the Authority's basic combined financial statements as listed in the table of contents.

In our opinion, the combined 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 Southeast Louisiana Flood Protection Authority - East as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Board of Commissioners
Southeast Louisiana Flood Protection Authority - East and
Lakefront Management Authority Board
September 30, 2026

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

To the Board of Commissioners
Southeast Louisiana Flood Protection Authority - East and
Lakefront Management Authority Board
September 30, 2026

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds Budget and Actual (Budgetary Basis), and schedules of Proportionate Share of the Collective Net Pension Liability, Contributions – Retirement Plan, Proportionate Share of the Collective Net OPEB Liability and the related Notes to Required Supplemental Information (together "required supplementary information") on pages 5 through 13 and 63 through 70 are presented to supplement the basic combined financial statements. Such information is the responsibility of management and, although not a part of the basic combined 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 combined 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 combined financial statements, and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the combined financial statements that collectively comprise the Authority's basic combined financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented to comply with Act 706 of the 2014 Louisiana Legislative Session, and the Schedule of Board Members' Compensation and the Annual Fiscal Report to the Office of the Governor, as required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, are presented for purposes of additional analysis and are not required parts of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. The 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, Schedule of Board Members' Compensation, and Annual Fiscal Report to the Office of the Governor are fairly stated, in all material respects, in relation to the basic combined financial statements as a whole.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Southeast Louisiana Flood Protection Authority - East and
Lakefront Management Authority Board
September 30, 2026

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026 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.

September 30, 2026
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis (MD&A) provides an objective overview and analysis of the financial activities reported in the separately issued financial statements of the Southeast Louisiana Flood Protection Authority - East (the Authority) for the year ended June 30, 2026. The discussion emphasizes the current year, compares current-year balances and results with the prior year, and focuses on the most significant factors affecting financial position and results of operations.

Reporting-Entity Focus

The Authority is a component unit of the State of Louisiana in the State's financial reporting entity. For purposes of the Authority's separately issued financial statements, the Authority applies the reporting-entity presentation provisions as the nucleus of its own reporting entity. The Lakefront Management Authority (LMA) is a blended component unit of the Authority. Because LMA is blended, its balances and transactions are reported as part of the Authority's primary-government governmental and business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic combined financial statements consist of government-wide combined financial statements, fund combined financial statements, and notes to the combined financial statements. The government-wide statements report the financial position and results of the Authority's reporting entity, including its blended component unit, and distinguish governmental activities from business-type activities. They use the economic resources measurement focus and accrual basis of accounting and are designed to show the full cost of current-period activities and the Authority's overall financial position.

The governmental fund statements focus on near-term inflows and outflows of spendable resources and the balances available for future governmental purposes. The proprietary fund statements report business-type activities using an economic resources measurement focus and include a statement of cash flows. Reconciliations explain the principal differences between governmental fund results and the government-wide governmental activities.

Governmental activities include flood and drainage protection and governmental property-management activities. The Authority manages and controls its administrative operations, the East Jefferson Levee District, the flood-protection activities of the Orleans Levee District, and the Lake Borgne Basin Levee District. The Authority also manages the OLD and EJLD police-detail proprietary funds. The LMA manages and controls certain non-flood activities of the Orleans Levee District, including the OLD Real Estate Fund, OLD General Improvement Fund, and LMA-administered proprietary operations.

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FINANCIAL SUMMARY

The following condensed information is derived from the government-wide financial statements. Amounts are shown in thousands.

Table 1A. Governmental Activities - Condensed Financial Position ($000)

	2026	2025	Change
Current and other assets	$ 254,680	$ 222,309	$ 32,371
Capital and intangible assets	6,255,495	6,414,468	(158,973)
Total assets	6,510,175	6,636,777	(126,602)
Deferred outflows	12,873	11,730	1,143
Current/other liabilities	8,049	11,621	(3,572)
Long-term liabilities	47,626	48,798	(1,172)
Total liabilities	55,675	60,419	(4,744)
Deferred inflows	6,622	6,112	510
Net investment in capital assets	6,255,255	6,413,858	(158,604)
Restricted	500	500	-
Unrestricted	204,997	167,618	37,379
Total net position	$ 6,460,752	$ 6,581,977	$ (121,225)

Table 1B. Business-Type Activities - Condensed Financial Position ($000)

	2026	2025	Change
Current and other assets	$ 4,350	$ 2,254	$ 2,096
Noncurrent portions of lease receivables	38,888	35,800	3,088
Capital and intangible assets	371	355	15
Total assets	43,608	38,409	5,199
Deferred outflows	1,356	1,399	(43)
Current/other liabilities	1,167	4,011	(2,844)
Long-term liabilities	4,248	5,092	(843)
Total liabilities	5,415	9,103	(3,688)
Deferred inflows	39,776	36,367	3,409
Net investment in capital assets	82	95	(12)
Restricted	-	-	-
Unrestricted	(309)	(5,756)	5,446
Total net position	$ (227)	$ (5,661)	$ 5,434

FINANCIAL SUMMARY (CONTINUED)

Table 2A. Governmental Activities - Condensed Results of Operations ($000)

	2026	2025	Change
Program revenues - grants and contributions	$ 174	$ 416	$ (242)
Total program expenses	226,310	219,537	6,773
Program gain (loss)	(226,136)	(219,121)	(7,015)
General revenues, other items, and transfers	104,911	86,606	18,305
Change in net position	(121,225)	(132,514)	11,290
Beginning net position	6,579,002	6,719,126	(140,123)
Restatement of beginning net position	2,974	(4,635)	7,609
Ending net position	$ 6,460,752	$ 6,581,976	$ (121,225)

Table 2B. Business-Type Activities - Condensed Results of Operations ($000)

	2026	2025	Change
Total program revenues	$ 23,003	$ 11,203	$ 11,801
South Shore Harbor Marina expense	715	1,461	(745)
Lakefront Airport expense	4,156	5,308	(1,152)
Orleans Marina expense	1,171	1,008	163
Lake Vista expense	307	238	69
New Basin Canal expense	289	275	14
Other proprietary fund expense	13	92	(79)
Total program expenses	6,652	8,382	(1,730)
Program gain (loss)	16,352	2,821	13,531
General revenues, other items, and transfers	(10,918)	(6,343)	(4,575)
Change in net position	5,434	(3,522)	8,956
Beginning net position	(2,687)	(1,910)	(777)
Restatement of beginning net position	(2,974)	(229)	(2,745)
Ending net position	$ (227)	$ (5,661)	$ 5,434

DETAILED ANALYSIS

Reporting Entity Financial Position and Results

The following analysis is organized by the governmental and business-type activity columns presented in the Authority's government-wide financial statements. Those columns include the activities of the Authority and its blended component unit, LMA. References to LMA management are included only when relevant to explaining a significant change or major-fund result.

DETAILED ANALYSIS (CONTINUED)

Governmental Activities

Total assets decreased by approximately $126.6 million, or 1.9%, from June 30, 2025, primarily due to depreciation of capital assets. Current and other assets increased by approximately $32.4 million, and total liabilities decreased by approximately $4.7 million. Governmental activities ended the year with net position of approximately $6.46 billion, a decrease of approximately $121.2 million.

The decrease in net position was approximately $11.7 million smaller than in 2025. Program expenses increased by approximately $6.4 million, while general revenues and transfers increased by approximately $18.3 million, primarily due to higher tax collections and capital assets transferred in from business-type activities.

Business-Type Activities

Total assets increased by approximately $6 million and deferred inflows of resources increased by approximately $3.4 million, primarily due to new leases and lease renewals. Total liabilities decreased by approximately $3.7 million. Business-type net position improved from a deficit of approximately $5.7 million to a deficit of approximately $227 thousand. The 2025 balance reflects a $3.0 million restatement (Lakefront Airport) of the previously reported $2.7 million deficit.

Program revenues increased by approximately $12.7 million, primarily due to capital grants for ongoing projects at the Lakefront Airport, and program expenses decreased by approximately $1.7 million. These gains were partially offset by an approximately $7.5 million decrease in general revenues and transfers, reflecting approximately $13.5 million transferred to governmental activities.

Major Governmental Funds

Table 3. Major Governmental Funds ($000)

Fund	2026 Ending Fund Balance	2025 Ending Fund Balance	FY2026 Change	FY2025 Change
Authority General Fund	$ 5,267	$ 5,495	$ (227)	$ 479
OLD General Fund	59,936	56,001	3,935	491
EJLD General Fund	48,367	46,250	2,117	4,398
LBBLD General Fund	3,093	2,361	732	(1,356)
LMA OLD Real Estate Fund	5,726	5,144	582	(144)
LMA General Improvement Fund	(2,053)	(2,053)	-	-
OLD SLIP Fund	125,852	97,405	28,446	7,108

Authority General Fund

Fund balance decreased by approximately $0.2 million, to $5.3 million, after increasing by approximately $0.5 million in 2025. Total assets and liabilities each decreased by approximately $6 million as internal due-from balances and related liabilities at June 30, 2025 were cleared. There were no major changes in revenues or expenditures.

DETAILED ANALYSIS (CONTINUED)

Major Governmental Funds (Continued)

Orleans Levee District General Fund

Fund balance increased by approximately $3.9 million, to $59.9 million, compared with an increase of approximately $0.5 million in 2025. Revenues increased by approximately $2.5 million due to higher tax collections. Expenditures increased by approximately $11.7 million, and other financing sources increased by approximately $12.7 million, primarily due to capital outlay expenditures transferred from another fund. Assets decreased by approximately $7.8 million and liabilities by approximately $11.7 million due to less reimbursements due to other funds.

East Jefferson Levee District General Fund

Fund balance increased by approximately $2.1 million, to $48.4 million, compared with $4.4 million in 2025. Expenditures increased by approximately $2.3 million, primarily due to higher capital outlay. There were no major changes in assets or liabilities.

Lake Borgne Basin Levee District General Fund

Fund balance increased by approximately $0.7 million, to $3.1 million, after decreasing by approximately $1.4 million in 2025. Expenditures decreased by approximately $1.9 million, primarily due to lower capital outlay. There were no major changes in assets or liabilities.

Orleans Levee District Real Estate Fund (managed by LMA)

Fund balance increased by approximately $0.6 million, to $5.7 million, after decreasing by approximately $0.1 million in 2025. Revenues increased by approximately $1.0 million due to higher tax collections. Assets and liabilities increased by approximately $25.5 million and $24.9 million, respectively, primarily due to higher balances due to and from other funds.

Orleans Levee District General Improvement Fund (managed by LMA)

The fund reported no net change in fund balance in either year and ended both years with a deficit of approximately $2.1 million. There were no major changes in assets, liabilities, revenues, or expenditures.

Orleans Levee District SLIP Fund

Fund balance increased by approximately $28.4 million, to $125.9 million, compared with $7.1 million in 2025. Revenues increased by approximately $2.3 million due to higher tax collections, while expenditures decreased by approximately $16.1 million due to less activity on ongoing capital projects. As a result, assets increased by approximately $24.7 million, largely held in investments, and liabilities decreased by approximately $3.7 million.

DETAILED ANALYSIS (CONTINUED)

Major Proprietary Funds

Table 4. Major Proprietary Funds ($000)

Fund	2026 Ending Net Position	2025 Ending Net Position	FY2026 Change	FY2025 Change
South Shore Harbor Marina	$ (5,542)	$ (5,175)	$ (367)	$ 500
Lakefront Airport	(21,436)	(25,498)	4,061	(5,981)
Orleans Marina	7,768	7,210	558	495
Lake Vista	162	315	(153)	60
New Basin Canal	18,781	17,442	1,339	1,404

South Shore Harbor Marina (managed by LMA)

Net position decreased by approximately $0.4 million, to a deficit of $5.5 million, after improving by approximately $0.5 million in 2025. Lower operating expenses and higher operating revenues reduced the operating loss from $1.1 million to $0.3 million, but nonoperating revenues decreased by approximately $1.6 million. There were no major changes in assets, liabilities, or deferred inflows or outflows.

Lakefront Airport (managed by LMA)

Net position improved by approximately $4.0 million, to a deficit of $21.5 million, after decreasing by approximately $5.4 million in 2025. Operating revenues increased by approximately $1.8 million and operating expenses decreased by approximately $1.2 million, turning a $2.4 million operating loss into $1.5 million of operating income. Capital grants of approximately $15.8 million were largely offset by approximately $13.3 million transferred to governmental activities.

Orleans Marina (managed by LMA)

Net position increased by approximately $0.5 million, to $7.7 million, compared with $0.5 million in 2025. Operating revenues and expenses remained consistent, bringing operating income from $0.5 million to $0.4 million, and the fund received capital grants of approximately $0.2 million.

Lake Vista (managed by LMA)

Net position decreased by approximately $0.15 million, to $0.16 million, compared with $0.31 million in 2025. Operating revenues and expenses remained consistent. Other nonoperating expenses for transfers to governmental activities totaled $0.20 million, bringing the decrease in net position to $0.15 million.

New Basin Canal (managed by LMA)

Net position increased by approximately $1.3 million, to $18.8 million, compared with $1.4 million in 2025. Current assets increased by approximately $1.5 million, primarily from amounts due from other funds. There were no major changes in revenues or expenditures.

DETAILED ANALYSIS (CONTINUED)

Non-Major Proprietary Activities

The OLD Police and EJLD Police Detail Funds are proprietary funds managed and controlled directly by the Authority. In the FY2026 proprietary fund statements they are included within non-major other proprietary funds; therefore, they are not analyzed separately as major funds in this section.

Restrictions, Commitments, and Assignments Affecting Future Use

At June 30, 2026, governmental fund balances included $0.5 million restricted for permanent pump station maintenance, $13.5 million committed to the OPEB liability, $27 million committed to long-term maintenance, and $47 million committed to HSDRRS maintenance, inspection, and improvement. These classifications limit the availability of those resources for other future purposes. Within the LMA-managed governmental funds, the OLD General Improvement Fund reported an unassigned deficit of approximately $2.1 million.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

Table 5. Capital Assets, Net ($000)

	2026	2025	Change
Land	$ 36,947	$ 36,947	$ -
Buildings	56,248	58,494	(2,246)
Improvements	158,513	159,323	(810)
Equipment - governmental	12,433	12,404	29
Infrastructure	5,972,346	6,128,459	(156,113)
Construction in progress	18,903	18,532	371
Subscription assets	105	309	(204)
Governmental capital assets, net	6,255,495	6,414,468	(158,973)
Business-type capital assets, net	371	355	15
Total capital assets, net	$ 6,255,866	$ 6,414,824	$ (158,958)

Governmental capital assets, net, decreased by approximately $159 million, primarily due to current year depreciation. Depreciation expense for governmental activities was approximately $176.8 million. Depreciation expenditures are primarily driven by depreciation of portions of the Hurricane and Storm Damage Risk Reduction System (HSDRRS) and Permanent Canal Closures and Pumps (PCCP) systems which were constructed by the U.S. Army Corps of Engineers and transferred to the Authority in prior years. These assets had a combined acquisition value of $6.6 billion and are being depreciated over 40 years. The governmental-activity amounts include capital assets reported within the Authority's governmental activities, including assets associated with both Authority-managed flood-protection functions and LMA-managed non-flood governmental activities. Business-type capital assets, net, increased by approximately $0.015 million; the major business-type operations analyzed above are LMA-managed.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY (CONTINUED)

Long-Term Financing and Related Obligations

Table 6. Long-Term Obligations ($000)

	2026	2025	Change
Compensated absences	$ 6,327	$ 5,974	$ 353
Subscription obligations	96	301	(204)
OPEB liability	17,739	16,804	935
Pension liability	29,231	32,622	(3,391)
Total	$ 53,394	$ 55,701	$ (2,307)

Total long-term obligations shown above decreased by approximately $2.3 million. Compensated absences increased by approximately $0.35 million. The OPEB liability increased by approximately $0.9 million, while the pension liability decreased by approximately $3.3 million. Subscription obligations decreased by approximately $0.2 million. Notes 5 and 6 provide additional information about the actuarial measurements of the pension and OPEB liabilities.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Flood Protection Activities

In March 2026, the Board adopted a fiscal year 2027 budget of approximately $91.3 million. This consists of $60.7 million for operations and maintenance and $30.7 million for capital projects, against budgeted revenues of $92.4 million.

Operations and maintenance spending is budgeted to increase approximately 6%, from $57 million in fiscal year 2026 to $60.7 million. The increase is primarily due to staffing. The budget funds approximately 330 positions, compared with 303 in fiscal year 2026, and personnel services account for $40.1 million of the operations and maintenance budget.

Management is working on the development of a comprehensive 50-year financial model that will help guide investment for the next 50 years and links assets, revenue forecasting, capital funding mechanisms and depreciation. This financial model will help fund and schedule the future capital needs. Management's long-term projection of the flood protection system identifies significant capital needs that are not yet funded or scheduled:

- approximately $307 million for future levee lifts over the next 50 years;
- approximately $300 million for the Lakeshore Drive steps within 20 years;
- $15 to $20 million for dewatering every 15 years; and
- $18 million for Hurricane and Storm Damage Risk Reduction System (HSDRRS) maintenance and improvements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS (CONTINUED)

Property Management Activities

The LMA manages the Orleans Levee District's non-flood assets. These include the New Orleans Lakefront Airport, Orleans Marina, South Shore Harbor Marina, the New Basin Canal, the Lake Vista Community Center, and lakefront parks and roadways.

In March 2026, the LMA Board adopted a balanced fiscal year 2027 operating budget of $9.8 million. This is approximately 5% above the fiscal year 2026 budget of $9.3 million. Budgeted revenues consist of:

- $7.0 million of self-generated revenues;
- $2.6 million of ad valorem taxes, up from $2.4 million budgeted in fiscal year 2026;
- and $162,000 of other revenues.

Management expects the following to significantly affect fiscal year 2027 results:

- Rates and fees. The Board approved a 3% increase in open and covered slip rents at Orleans Marina and South Shore Harbor Marina, effective July 1, 2026. It also approved lease amendments requiring two lakefront restaurant tenants to pay an additional 15% in rent, retroactive to December 1, 2025.

- Capital projects. The LMA has budgeted up to approximately $1.5 million of its own resources for capital projects and is pursuing outside funding.

BASIC COMBINED FINANCIAL STATEMENTS

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,796,622	$ 117,640	$ 1,914,262
Investments - LAMP	157,761,004	-	157,761,004
Restricted investments - LAMP	7,295,880	-	7,295,880
Investments	76,579,997	-	76,579,997
Receivables, net	3,892,678	207,602	4,100,280
Internal balances	797,711	(797,711)	-
Due from other governments	923,455	2,352,550	3,276,005
Accrued interest	949,986	-	949,986
Inventory	438,652	-	438,652
Lease receivable - current portion	-	2,465,048	2,465,048
Other assets	4,244,026	4,737	4,248,763
Total current assets	254,680,011	4,349,866	259,029,877
NONCURRENT ASSETS:			
Lease receivables - noncurrent portion	-	38,887,688	38,887,688
Capital assets not being depreciated	55,849,795	-	55,849,795
Capital assets being depreciated, net	6,199,645,499	370,561	6,200,016,060
Total noncurrent assets	6,255,495,294	39,258,249	6,294,753,543
Total assets	6,510,175,305	43,608,115	6,553,783,420
DEFERRED OUTFLOWS OF RESOURCES:			
OPEB deferrals	5,163,233	479,710	5,642,943
Pension deferrals	7,709,468	876,532	8,586,000
Total deferred outflows of resources	12,872,701	1,356,242	14,228,943
CURRENT LIABILITIES:			
Accounts payable	5,259,207	44	5,259,251
Contracts payable	144,215	622,846	767,061
Deferred revenues	86,731	186,454	273,185
Accrued payroll liabilities	778,444	95,245	873,689
Accrued compensated absences - current portion	1,382,436	40,445	1,422,881
Right to use subscription obligations - current portion	96,396	-	96,396
Other liabilities	301,078	222,056	523,134
Total current liabilities	8,048,507	1,167,090	9,215,597
NONCURRENT LIABILITIES:			
Accrued compensated absences - noncurrent portion	4,675,035	229,188	4,904,223
Post-employment benefit liability	16,704,189	1,035,000	17,739,189
Net pension liability	26,246,846	2,984,151	29,230,997
Total noncurrent liabilities	47,626,070	4,248,339	51,874,409
Total liabilities	55,674,577	5,415,429	61,090,006
DEFERRED INFLOWS OF RESOURCES:			
OPEB deferrals	1,883,852	120,495	2,004,347
Pension deferrals	4,737,756	538,662	5,276,418
Lease deferrals	-	39,116,972	39,116,972
Total deferred inflows of resources	6,621,608	39,776,129	46,397,737
NET POSITION:			
Net investment in capital assets	6,255,254,683	82,265	6,255,336,948
Restricted for:			
Permanent pump station maintenance	500,000	-	500,000
Unrestricted	204,997,138	(309,466)	204,687,672
Total net position	$ 6,460,751,821	$ (227,201)	$ 6,460,524,620

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:						
Flood and drainage protection	$ 223,458,596	$ -	$ 171,761	$ (223,286,835)	$ -	$ (223,286,835)
Property management	2,851,010	2,146	-	(2,848,864)	-	(2,848,864)
Total governmental activities	226,309,606	2,146	171,761	(226,135,699)	-	(226,135,699)
Business-Type Activities:						
South Shore Harbor Marina	715,465	341,065	21,985	-	(352,415)	(352,415)
Lakefront Airport	4,155,613	3,153,021	15,768,553	-	14,765,961	14,765,961
Orleans Marina	1,171,457	1,537,909	194,688	-	561,140	561,140
New Basin Canal	288,847	1,627,735	-	-	1,338,888	1,338,888
Lake Vista	307,278	300,758	49,388	-	42,868	42,868
Non-major funds	12,921	8,212	-	-	(4,709)	(4,709)
Total business-type activities	6,651,581	6,968,700	16,034,614	-	16,351,733	16,351,733
Total functions/programs	$ 232,961,187	$ 6,970,846	$ 16,206,375	(226,135,699)	16,351,733	(209,783,966)
General revenues, special items, and transfers:						
Taxes				77,611,810	-	77,611,810
Unrestricted intergovernmental revenues				1,576,160	-	1,576,160
Investment income				7,937,467	-	7,937,467
Miscellaneous income				4,271,376	2,559,378	6,830,754
Gain on disposals of assets				881,619	-	881,619
Settlement (loss)				(844,761)	-	(844,761)
Internal transfers				13,477,321	(13,477,321)	-
Total general revenues, special items, and transfers				104,910,992	(10,917,943)	93,993,049
Change in net position				(121,224,707)	5,433,790	(115,790,917)
Net position - beginning of year				6,579,002,463	(2,686,926)	6,576,315,537
Restatement of net position				2,974,065	(2,974,065)	-
Net position, as restated - beginning of year				6,581,976,528	(5,660,991)	6,576,315,537
Net position - end of year				$ 6,460,751,821	$ (227,201)	$ 6,460,524,620

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2026

ASSETS

	Authority General Fund	OLD General Fund	EJLD General Fund	LBBLD General Fund	LMA OLD Real Estate Fund	LMA General Improvement Fund	OLD SLIP Fund	Total Governmental Funds
CURRENT ASSETS:								
Cash and cash equivalents	$ 855,726	$ -	$ -	$ -	$ 940,896	$ -	$ -	$ 1,796,622
Investments - LAMP	941,326	26,432,790	26,937,329	3,312,580	3,750,335	-	96,386,644	157,761,004
Restricted investments - LAMP	-	3,389,256	-	-	1,104,839	-	2,801,785	7,295,880
Investments	-	29,843,628	21,856,303	-	-	-	24,880,066	76,579,997
Receivables	1,606	1,744,342	113,764	197	511,022	-	1,521,747	3,892,678
Accrued interest	-	472,227	201,999	-	-	-	275,760	949,986
Due from other funds	3,956,175	248,343	-	-	58,452,543	-	-	62,657,061
Due from other governments	530,015	194,319	5,654	125	79,628	113,714	-	923,455
Inventory	535	438,117	-	-	-	-	-	438,652
Other assets	1,445,847	1,102,462	246,958	34,585	712	-	1,413,462	4,244,026
Total assets	$ 7,731,230	$ 63,865,484	$ 49,362,007	$ 3,347,487	$ 64,839,975	$ 113,714	$ 127,279,464	$ 316,539,361
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)								
LIABILITIES:								
Accounts payable	$ 1,980,379	$ -	$ -	$ -	$ 3,278,828	$ -	$ -	$ 5,259,207
Contracts payable	-	-	35,053	-	-	-	109,162	144,215
Other accrued	481,916	1,397,967	115,804	30,993	158,047	-	904,793	3,089,520
Due to other funds	1,954	2,531,969	843,979	223,521	55,677,312	2,166,849	413,766	61,859,350
Total liabilities	2,464,249	3,929,936	994,836	254,514	59,114,187	2,166,849	1,427,721	70,352,292
FUND BALANCES (DEFICITS):								
Nonspendable:								
Prepaid and other assets	1,445,847	1,102,462	246,958	34,585	712	-	1,413,462	4,244,026
Inventory	535	438,117	-	-	-	-	-	438,652
Restricted for:								
Permanent pump station maintenance	-	500,000	-	-	-	-	-	500,000
Committed to:								
OPEB liability	-	13,487,271	-	-	-	-	-	13,487,271
Long-term maintenance	-	3,389,255	-	-	-	-	24,023,030	27,412,285
HSDRRS maintenance, inspection, & improvement	-	16,554,000	-	-	-	-	30,363,000	46,917,000
Unassigned	3,820,599	24,464,443	48,120,213	3,058,388	5,725,076	(2,053,135)	70,052,251	153,187,835
Total fund balances (deficits)	5,266,981	59,935,548	48,367,171	3,092,973	5,725,788	(2,053,135)	125,851,743	246,187,069
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 7,731,230	$ 63,865,484	$ 49,362,007	$ 3,347,487	$ 64,839,975	$ 113,714	$ 127,279,464	$ 316,539,361

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
RECONCILIATION OF THE COMBINED BALANCE SHEET
TO THE COMBINED STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

Fund balances - total governmental funds	$	246,187,069
Amounts reported for governmental activities in the Combined 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 $1,023,549,485.		6,255,396,676
Revenues that are not available within 60 days of year-end are reported as deferred revenues in the governmental funds.		1,925,489
Deferred outflows of resources related to pensions and OPEB are not reported in the governmental funds:		
Pensions		7,709,468
OPEB		5,163,233
Pension and OPEB related deferrals are deferred inflows of resources on the statement of net position:		
Pensions		(4,737,756)
OPEB		(1,883,852)
Liabilities that are not due and payable within 60 days of year-end and, therefore are not reported in the funds:		
Accrued compensated absences		(6,057,471)
Post-employment benefit liability		(16,704,189)
Net pension liability		(26,246,846)
Net position of governmental activities	$	6,460,751,821

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2026

	Authority General Fund	OLD General Fund	EJLD General Fund	LBBLD General Fund	LMA OLD Real Estate Fund	LMA General Improvement Fund	OLD SLIP Fund	Total Governmental Funds
REVENUES:								
Taxes	$ -	$ 31,171,061	$ 12,267,499	$ 3,810,608	$ 2,870,445	$ -	$ 27,417,381	$ 77,536,994
Intergovernmental	-	1,029,868	383,292	163,000	-	-	-	1,576,160
Royalties, leases, and permits	-	-	-	-	270,531	-	-	270,531
Operating grants	19,841	147,124	4,796	-	-	-	-	171,761
Payments from other funds	12,408,535	620,188	(90,664)	-	-	-	-	12,938,059
Other	371,368	3,347,985	91,476	4,152	188,010	-	-	4,002,991
Investment earnings	37,142	2,186,555	1,810,968	123,233	104,595	-	3,674,974	7,937,467
Total revenues	12,836,886	38,502,781	14,467,367	4,100,993	3,433,581	-	31,092,355	104,433,963
EXPENDITURES:								
Flood and drain protection	12,446,700	33,786,038	10,617,566	3,197,360	-	-	1,553,630	61,601,294
Property management	-	-	-	-	2,770,098	-	-	2,770,098
Capital outlay	268,993	14,804,599	2,047,087	284,388	36,204	-	624,107	18,065,378
Total expenditures	12,715,693	48,590,637	12,664,653	3,481,748	2,806,302	-	2,177,737	82,436,770
Excess (deficiency) of revenues over expenditures	121,193	(10,087,856)	1,802,714	619,245	627,279	-	28,914,618	21,997,193
OTHER FINANCING SOURCES (USES):								
Sale of capital assets	27,205	499,909	314,585	112,625	-	-	-	954,324
Transfers in (out)	-	13,522,836	-	-	(45,515)	-	-	13,477,321
Settlement (loss)	(376,500)	-	-	-	-	-	(468,261)	(844,761)
Total other financing sources (uses)	(349,295)	14,022,745	314,585	112,625	(45,515)	-	(468,261)	13,586,884
Net change in fund balances	(228,102)	3,934,889	2,117,299	731,870	581,764	-	28,446,357	35,584,077
Fund balances (deficits) - beginning of year	5,495,083	56,000,659	46,249,872	2,361,103	5,144,024	(2,053,135)	97,405,386	210,602,992
Fund balances (deficits) - end of year	$ 5,266,981	$ 59,935,548	$ 48,367,171	$ 3,092,973	$ 5,725,788	$ (2,053,135)	$ 125,851,743	$ 246,187,069

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Change in fund balances - total governmental funds	$	35,584,077
Amounts reported for governmental activities in the Combined Statement of Activities 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		4,588,057
Depreciation expense		(176,761,650)
Loss on assets disposed during the year		(72,705)
Revenues that do not provide current financial resources are not reported as revenues in the governmental funds		74,816
Transfers of capital asset additions between proprietary funds and governmental funds do not affect current financial resources and are not reported as capital outlay expenditures in the governmental funds		13,477,321
Right to use assets and liabilities are not uses or sources of current financial resources and are not reported as other sources of funds in the governmental funds		
Interest expense		5,751
Some items do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Compensated absences		(440,383)
Post-employment benefit obligation		6,968
Pension liability		2,313,041
Change in net position	$	(121,224,707)

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF NET POSITION - PROPRIETARY FUNDS
AS OF JUNE 30, 2026

	Major Funds					Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Other Proprietary Funds	Total Proprietary Funds
CURRENT ASSETS:							
Cash and cash equivalents	$ -	$ 4,525	$ 5,273	$ 10,655	$ 18,875	$ 78,312	$ 117,640
Receivables, net of allowance for uncollectible accounts	48,317	18,328	23,994	116,963	-	-	207,602
Due from other funds	1,225,096	25,931,221	9,826,821	17,811,826	773,450	1,756	55,570,170
Due from other governments	315,817	2,018,256	16,758	-	-	1,719	2,352,550
Lease receivable - current portion	-	1,168,271	322,309	727,434	247,034	-	2,465,048
Other assets	2,540	1,712	485	-	-	-	4,737
Total current assets	1,591,770	29,142,313	10,195,640	18,666,878	1,039,359	81,787	60,717,747
NONCURRENT ASSETS:							
Lease receivables - noncurrent portion	-	12,589,498	4,530,921	21,278,351	488,918	-	38,887,688
Capital assets being depreciated, net	80,627	278,310	-	-	11,624	-	370,561
Total noncurrent assets	80,627	12,867,808	4,530,921	21,278,351	500,542	-	39,258,249
Total assets	1,672,397	42,010,121	14,726,561	39,945,229	1,539,901	81,787	99,975,996
DEFERRED OUTFLOWS OF RESOURCES:							
OPEB deferrals	76,052	280,806	87,752	17,550	17,550	-	479,710
Pension deferrals	143,166	520,515	157,032	26,718	29,101	-	876,532
Total deferred outflows of resources	219,218	801,321	244,784	44,268	46,651	-	1,356,242
							-
CURRENT LIABILITIES:							
Contracts payable	9,986	612,904	-	-	-	-	622,890
Due to other funds	6,434,581	47,112,893	1,815,130	428,334	535,363	41,580	56,367,881
Accrued payroll liabilities	16,557	62,512	16,176	-	-	-	95,245
Deferred revenues	155,793	15,029	12,099	-	3,533	-	186,454
Compensated absences - current portion	8,484	29,683	2,278	-	-	-	40,445
Other accruals	1,650	214,899	2,081	-	3,426	-	222,056
Total current liabilities	6,627,051	48,047,920	1,847,764	428,334	542,322	41,580	57,534,971
NONCURRENT LIABILITIES:							
Compensated absences - noncurrent portion	48,075	168,204	12,909	-	-	-	229,188
Post-employment benefit liability	164,085	605,854	189,329	37,866	37,866	-	1,035,000
Net pension liability	487,409	1,772,092	534,615	90,960	99,075	-	2,984,151
Total noncurrent liabilities	699,569	2,546,150	736,853	128,826	136,941	-	4,248,339
Total liabilities	7,326,620	50,594,070	2,584,617	557,160	679,263	41,580	61,783,310
DEFERRED INFLOWS OF RESOURCES:							
OPEB deferrals	19,103	70,534	22,042	4,408	4,408	-	120,495
Pension deferrals	87,981	319,876	96,502	16,419	17,884	-	538,662
Lease deferrals	-	13,263,215	4,499,915	20,630,583	723,259	-	39,116,972
Total deferred inflows of resources	107,084	13,653,625	4,618,459	20,651,410	745,551	-	39,776,129
NET POSITION:							
Net investment in capital assets	70,641	-	-	-	11,624	-	82,265
Unrestricted	(5,612,730)	(21,436,253)	7,768,269	18,780,927	150,114	40,207	(309,466)
Total net position	$ (5,542,089)	$ (21,436,253)	$ 7,768,269	$ 18,780,927	$ 161,738	$ 40,207	$ (227,201)

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Major Funds					Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Other Proprietary Funds	Total Proprietary Funds
OPERATING REVENUES:							
Charges for services:							
Rentals	$ 341,065	$ 2,404,268	$ 1,537,909	$ 1,627,735	$ 300,758	$ -	$ 6,211,735
Detail revenue	-	-	-	-	-	8,212	8,212
Fuel flowage fees	-	748,753	-	-	-	-	748,753
Total charges for services	341,065	3,153,021	1,537,909	1,627,735	300,758	8,212	6,968,700
Miscellaneous income, net	249	2,565,481	(3,303)	190	(3,239)	-	2,559,378
Total operating revenues	341,314	5,718,502	1,534,606	1,627,925	297,519	8,212	9,528,078
OPERATING EXPENSES:							
Personnel services	173,706	1,778,476	588,694	109,943	116,954	12,921	2,780,694
Travel	3,229	5,175	-	-	-	-	8,404
Contractual services	473,985	1,798,462	403,772	14,887	165,407	-	2,856,513
Materials and supplies	11,684	176,137	42,295	-	2,205	-	232,321
Professional services	32,174	298,179	58,219	164,017	10,686	-	563,275
Other charges	1,491	22,126	26,977	-	7,373	-	57,967
Depreciation	19,196	25,318	-	-	4,653	-	49,167
Major maintenance	-	51,740	51,500	-	-	-	103,240
Total operating expenses	715,465	4,155,613	1,171,457	288,847	307,278	12,921	6,651,581
Operating income (loss)	(374,151)	1,562,889	363,149	1,339,078	(9,759)	(4,709)	2,876,497
OTHER NONOPERATING REVENUES (EXPENSES):							
Capital grants	21,985	15,768,553	194,688	-	49,388	-	16,034,614
Transfers to governmental activities	(14,472)	(13,270,176)	-	-	(192,673)	-	(13,477,321)
Total other nonoperating revenues (expenses)	7,513	2,498,377	194,688	-	(143,285)	-	2,557,293
Increase (decrease) in fund net position	(366,638)	4,061,266	557,837	1,339,078	(153,044)	(4,709)	5,433,790
Total fund net position - beginning of year	(5,175,451)	(22,523,454)	7,210,432	17,441,849	314,782	44,916	(2,686,926)
Restatement of fund net position	-	(2,974,065)	-	-	-	-	(2,974,065)
Total fund net position - beginning of year, restated	(5,175,451)	(25,497,519)	7,210,432	17,441,849	314,782	44,916	(5,660,991)
Total fund net position - end of year	$ (5,542,089)	$ (21,436,253)	$ 7,768,269	$ 18,780,927	$ 161,738	$ 40,207	$ (227,201)

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Major Funds					Non-Major	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Other Proprietary Funds	Total Proprietary Funds
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:							
Receipts from customers	$ 346,356	$ 3,599,645	$ 1,495,209	$ 1,447,995	$ 303,236	$ 22,608	$ 7,215,049
Other operating cash receipts	249	2,565,481	(3,303)	190	(3,239)	-	2,559,378
Payments to suppliers	233,080	(4,813,382)	(1,050,685)	(1,330,000)	(49,017)	(57,521)	(7,067,525)
Payments to employees	(576,778)	(2,097,201)	(633,361)	(107,695)	(107,695)	(12,921)	(3,535,651)
Net cash from (used in) operating activities	2,907	(745,457)	(192,140)	10,490	143,285	(47,834)	(828,749)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from federal and state grants	21,985	14,069,625	194,688	-	49,388	298	14,335,984
Purchase of capital assets	(24,892)	(13,324,168)	-	-	(192,673)	-	(13,541,733)
Net cash from (used in) capital and related financing activities	(2,907)	745,457	194,688	-	(143,285)	298	794,251
Net change in cash	-	-	2,548	10,490	-	(47,536)	(34,498)
Cash and cash equivalents – beginning of year	-	4,525	2,725	165	18,875	125,848	152,138
Cash and cash equivalents – end of year	$ -	$ 4,525	$ 5,273	$ 10,655	$ 18,875	$ 78,312	$ 117,640
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FROM (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	$ (374,151)	$ 1,562,889	$ 363,149	$ 1,339,078	$ (9,759)	$ (4,709)	$ 2,876,497
Adjustment to reconcile operating income (loss) to net cash from (used in) operating activities:							
Depreciation expense	19,196	25,318	-	-	4,653	-	49,167
Change in assets and liabilities:							
Receivables, net	25,621	501,832	35,769	8,933	(2,823)	14,396	583,728
Due to/from other funds, net	757,818	347,703	(471,603)	(1,148,575)	134,111	(57,521)	(438,067)
Lease receivables	-	(4,145,506)	261,867	407,503	(187,771)	-	(3,663,907)
Other assets	(2,175)	(709)	1,800	-	81	-	(1,003)
Deferred outflows of resources on pensions	62,854	(13,618)	(12,424)	(2,944)	(5,273)	-	28,595
Deferred outflows of resources on OPEB	35,750	1,651	(11,254)	(5,780)	(5,778)	-	14,589
Accounts payable	-	(2,808,985)	-	-	(964)	-	(2,809,949)
Deferred revenue	(20,330)	15,029	(24,023)	-	3,533	-	(25,791)
Compensated absences	(35,337)	(43,833)	(7,832)	-	-	-	(87,002)
Other accruals	306	1,354	1,495	(2,521)	3,426	-	4,060
Net pension liability	(361,133)	(315,684)	(60,987)	(6,966)	935	-	(743,835)
Post-employment benefit liability	(75,733)	1	25,244	12,622	12,623	-	(25,243)
Deferred inflows of resources on leases	-	4,075,269	(316,313)	(596,176)	189,539	-	3,352,319
Deferred inflows of resources on pensions	(20,962)	51,831	20,034	3,847	5,283	-	60,033
Deferred inflows of resources on OPEB	(8,817)	1	2,938	1,469	1,469	-	(2,940)
Net cash from (used in) operating activities	$ 2,907	$ (745,457)	$ (192,140)	$ 10,490	$ 143,285	$ (47,834)	$ (828,749)

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Southeast Louisiana Flood Protection Authority – East (the "Authority") was created as a political subdivision of the State of Louisiana by the Louisiana State Legislature under the provisions of LA R.S. 38:330.1. The Authority's primary purpose is regional coordination of flood protection of the following levee districts:

- East Jefferson Levee District
- Lake Borgne Basin Levee District
- Orleans Levee District

Effective on January 1, 2007 as a result of LA R.S. 38:291 (Paragraphs D, G and K), the Authority was created to combine the financial activity of the Orleans Levee District, the East Jefferson Levee District, and the Lake Borgne Basin Levee District (collectively, the "Levee Districts") with that of the administration arm of the Authority. The Authority's Board of Commissioners administers the operations and responsibilities of the flood protection related assets and activities of the Levee Districts in accordance with the provisions of Louisiana statutes.

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

- *The Orleans Levee District* (the "OLD") was established by the 1890 General Assembly of the State of Louisiana. The OLD has primary responsibility for the operation and maintenance of levees, embankments, seawalls, jetties, breakwaters, water basins, and other hurricane and flood protection improvements surrounding the City of New Orleans, including the southern shores of Lake Pontchartrain and along the Mississippi River. The OLD also has responsibility for operating and maintaining several complex marine structures impacting navigable waterways that are part of the flood protection system. The OLD is responsible for the maintenance of approximately 109 miles of levees and floodwalls and over 200 floodgates. Louisiana State Legislature authorized the OLD to dedicate, construct, operate, and maintain public parks, beaches, marinas, aviation fields, and other like facilities. The OLD owns a general aviation airport, the New Orleans Lakefront Airport, as well as the Orleans Marina, the South Shore Harbor Marina, and various other real estate properties. The Orleans Marina has 354 boat slips. The South Shore Harbor Marina, which was officially dedicated September 19, 1987, has a 43-acre calm water basin, 450 open boat slips, and 26 covered boat slips. The OLD has approximately 127 full-time employees.

- *The East Jefferson Levee District* (the "EJLD") was created by Louisiana State Legislature on January 1, 1979 from the territory removed from the Pontchartrain Levee District. The EJLD includes all or portions of the following parishes: Jefferson Parish East of Mississippi River, South of Lake Pontchartrain, bordered by St. Charles Parish. The EJLD primarily provides flood protection for those areas contained in the District which is approximately 28 miles of levees and floodwalls and 12 floodgates, and has approximately 35 full-time employees, including 25 police officers.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

- *The Lake Borgne Basin Levee District* (the "LBBLD") was created by Louisiana State Legislature in 1892 and is comprised of all the territory contained within the parish of St. Bernard. The LBBLD primarily provides flood protection for those areas. The LBBLD is responsible for approximately 57 miles of levees and floodwalls, 32 floodgates, 8 pumping stations, and 56 miles of drainage canals. The LBBLD's office is located in Violet, Louisiana, and employs approximately 12 full-time employees. The LBBLD's operations are funded primarily through ad valorem taxes, state revenue sharing and interest earnings. As of June 29, 2021, the LBBLD transferred responsibility for the pumping stations and internal drainage of St. Bernard Parish to the St. Bernard Parish Government.

The Authority is governed by a Board of Commissioners (the "Board"), consisting of nine members, of whom there shall be exactly one member from each parish within the territorial jurisdiction of the Authority. The members shall be appointed by the Governor of Louisiana from nominations submitted by the nominating committee as follows:

- Five members who shall either be an engineer or a professional in a related field such as geotechnical, hydrological, or environmental science. Of the five members, one member shall be a civil engineer.
- Two members who shall be a professional in a discipline other than that occurring in item 1, with at least ten years of professional experience in that discipline.
- Two members who shall be at-large.

Regular monthly meetings of the Board shall be convened on a rotating basis at a place determined by the Board in a levee district under the jurisdiction of the Authority, which is located in New Orleans, Louisiana.

Until December 31, 2006, the Levee Districts were governed by Boards of Commissioners appointed by the governor and local governing authorities. Effective January 1, 2007, the flood control activities of the Levee Districts were governed by the Authority, a newly constituted governing body and the Authority's Board of Commissioners, in accordance with changes in state law approved by the citizenry on September 30, 2006. Significant non-flood facilities and improvements owned by the Orleans Levee District are managed and controlled by the Lakefront Management Authority Board (Non-Flood Division or LMA).

The LMA is governed by a Board of Commissioners (the Board), consisting of 16 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.
- 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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

- 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 shall be convened at a place determined by the Board.

The combined financial statements of the Authority include all of the Levee Districts subjected to the Authority's governance, as well as the aggregate results of the enterprise fund assets of the OLD and the results for the OLD Real Estate's general fund and the general improvement fund that are managed and controlled by LMA.

The OLD Real Estate fund is organizationally a non-flood control fund and is the administrative fund for the Non-Flood Division which is governed by the LMA; however, it has responsibility not only for the proprietary funds, but also roadways, and public recreation areas along Lake Pontchartrain, all government-type activities. The Real Estate administrative fund is reported with the governmental funds. The General Improvement fund is also managed by the LMA.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the combined statement of net position and the combined 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.

The combined 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.

Basis of Accounting

In April 1984, the Financial Accounting Foundation established the GASB to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The accompanying combined financial statements have been prepared in accordance with such principles. The accompanying combined 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 combined financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Basis of Accounting (Continued)

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 unavailable 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.

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 sheet 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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance (Continued)

- *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

The Authority follows 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.

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."

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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds

The Authority General Fund is used to account for all financial activity associated with the primary purpose for which the Authority was created.

The OLD General Fund is the primary operating fund of the OLD as relates to the flood protection purpose of the organization. The fund accounts for all financial resources related to flood control functions, except those required to be accounted for in other funds.

The EJLD General Fund is the primary operating fund of the EJLD as relates to the flood protection purpose of the organization.

The LBBLD General Fund is the primary operating fund of the LBBLD as relates to the flood protection purpose of the organization. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The OLD Real Estate Fund is a companion fund to the OLD General Fund, used to provide management and administration of non-flood control operations, including the OLD's proprietary funds as well as parks, roadways, and bridges. This fund is controlled and managed by the LMA.

The OLD Special Levee Improvement Project (SLIP) Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities as well as maintenance of the flood control system.

The OLD 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 LMA.

The South Shore Harbor Marina (SSH), Orleans Marina (OM), Lakefront Airport (KNEW), Lake Vista (LVCC), and New Basin Canal (NBC) Funds are proprietary funds used for financial resources received and used for the acquisition, construction, or improvement of capital facilities. These funds are controlled and managed by the LMA.

Use of Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows, liabilities, and deferred inflows at the date of the combined financial statements. They may also affect the reported amounts of revenues and expenses of government-wide and fund combined financial statements during the reporting period. Actual results could differ from those estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the Authority's General Fund, the OLD General Fund, the LBBLD General Fund, the EJLD General Fund, and the OLD Real Estate Fund.

Expenditures are controlled at a major cost category level. Executive Directors 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.

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.

Original budgets for the 2026 fiscal year were adopted on March 20, 2025 and March 27, 2025. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds Budget and Actual.

Cash and Cash Equivalents

For the purpose of the combined 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, 2026.

Investments

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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

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.

The Authority also maintains investment accounts as authorized by LA R.S. 33:2955. Nearly all investments held by general purpose governments are required to be reported at fair value in their basic financial statements by GASB Codification I50 *Investments.*

Receivables

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Uncollectible amounts for customers' receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable.

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

Inventory is valued at average cost and is expensed at the time of withdrawal from inventory on a perpetual basis. The year-end balance contains supplies and fuel that could be needed at any time. The OLD is the only district that maintains inventory.

Restricted Assets

Restricted investments on the Balance Sheet of the OLD, LMA, and OLD SLIP funds of $3,389,256, $1,104,839, and $2,801,785, respectively, representing monies held in LAMP restricted for specific expenditures.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease Receivables

The Authority is a lessor for noncancellable leases of Authority land and property. The Authority recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Under the lease agreements, the Authority may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Authority uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee

The Authority monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lease Liabilities

The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements only.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

1. The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.

2. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

3. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, such as bridges, seawalls, roads, and levees, are reported in the combined 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 acquisition 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 and its related districts have implemented a $10,000 minimum capitalization threshold. The Authority's capitalization threshold for infrastructure assets is $250,000.

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

Buildings	40 years
Improvements other than buildings	20 - 40 years
Equipment	5 - 15 years
Infrastructure	40 years

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 is 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.

In accordance with GASB Statement No. 101, *Compensated Absences*, the Authority recognizes a liability for compensated absences when the leave is attributable to services already rendered and it is probable that the leave will be used or paid. Compensated absences include vacation leave, sick leave, and other paid time off (PTO), which are earned by employees based on services already performed. The liability is measured using the pay or salary rates in effect as of the financial reporting date.

Under the provisions of GASB 101:

- Vacation leave is accrued as earned and reported as a liability.
- Sick leave and other forms of leave are accrued only to the extent that it is more likely than not the leave will result in a termination payment or will be used in a future reporting period.
- The liability is calculated using the pay rates in effect at the end of the reporting period and includes applicable salary-related payments

The combined statement of net position presents the cost of accumulated annual and compensatory leave as a liability. The combined value of accrued annual leave and compensatory leave at June 30, 2026 was $6,327,104.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports 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 two items that meet this criterion – OPEB-related deferrals and 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 three items that meet the criteria for this category – lease-related deferrals, OPEB-related deferrals, and pension-related deferrals.

Pensions

For purposes of measuring the net pension liability, deferred outflows 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 (OPEB)

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 plan and additions to deductions from the plan's fiduciary net position have been determined on the same basis as 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.

Long-Term Obligations

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

Reconciliations to Fund Combined Financial Statements

Governmental funds include a reconciliation of the government-wide combined statements to the combined 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 combined fund statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reconciliations to Fund Combined Financial Statements (Continued)

The combined 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 combined 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.

Adoption of New Accounting Pronouncements

The GASB has released Statement No. 103, *Financial Reporting Model Improvements* (Statement 103). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for periods beginning after June 15, 2025.

The GASB has released Statement No. 104, *Disclosure of Certain Capital Assets* (Statement 104). The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for periods beginning after June 15, 2025.

Date of Management's Review

Subsequent events have been evaluated through September 30, 2026, the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

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.

Aggregate cash and cash equivalents by fund as of June 30, 2026 were as follows:

	Unrestricted
Governmental Funds:	
Authority	$ 855,726
LMA	940,896
Total governmental funds	1,796,622
Proprietary Funds:	
KNEW	4,525
OM	5,273
NBC	10,655
LVCC	18,875
Non-major	78,312
Total proprietary funds	117,640
Total cash and cash equivalents	$ 1,914,262

Amounts deposited in banks and investment accounts were as follows:

	Cash	U.S. Government Obligations & Securities	LAMP	Total
Balance per agency books	$ 1,914,262	$ 76,579,997	$ 165,056,884	$ 243,551,143
Deposits in bank and investment accounts per banks	$ 1,945,704	$ 76,579,997	$ 165,056,884	$ 243,582,585

The total bank balances will not necessarily equal the amounts reported in cash accounts per the combined 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.

(2) CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of June 30, 2026:

Investment Type	Fair Value	Level 1	Level 2	Level 3
LAMP	$ 165,056,884	$ -	$ 165,056,884	$ -
U.S. government obligations	76,579,997	76,579,997	-	-
	$ 241,636,881	$ 76,579,997	$ 165,056,884	$ -

(3) CAPITAL ASSETS

A summary of changes in governmental activities capital assets for the year ended June 30, 2026 is as follows:

The historical costs of infrastructure assets as of June 30, 2026 is as follows:

	Governmental Activities
Bridges and roadways	$ 97,068,860
Parks and recreation	3,998,826
Subtotal – other infrastructure assets	101,067,686
Flood protection systems	6,721,245,531
Total infrastructure assets	$ 6,822,313,217

(3) CAPITAL ASSETS (CONTINUED)

A summary of changes in governmental activities capital assets for the year ended June 30, 2026 is as follows:

	Restated Balance 6/30/2025	Additions	Reductions	Balance 6/30/2026
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 36,946,736	$ -	$ -	$ 36,946,736
Construction-in-progress	18,532,416	15,014,575	(14,643,932)	18,903,059
Total capital assets not being depreciated	55,479,152	15,014,575	(14,643,932)	55,849,795
Capital assets being depreciated:				
Buildings	97,795,478	-	-	97,795,478
Improvements other than buildings	267,552,948	4,591,457	-	272,144,405
Equipment	30,804,359	3,050,803	(3,545,600)	30,309,562
Infrastructure	6,812,260,742	10,052,475	-	6,822,313,217
Subscription assets	632,322	-	-	632,322
Total capital assets being depreciated	7,209,045,849	17,694,735	(3,545,600)	7,223,194,984
Less accumulated depreciation for:				
Buildings	39,301,529	2,245,907	-	41,547,436
Improvements other than buildings	108,230,176	5,401,551	-	113,631,727
Equipment	18,400,723	2,948,618	(3,472,895)	17,876,446
Infrastructure	683,801,383	166,165,574	-	849,966,957
Subscription assets	322,863	204,056	-	526,919
Total accumulated depreciation	850,056,674	176,965,706	(3,472,895)	1,023,549,485
Total capital assets being depreciated, net	6,358,989,175	(159,270,971)	(72,705)	6,199,645,499
Governmental activities capital assets, net	$ 6,414,468,327	$ (144,256,396)	$ (14,716,637)	$ 6,255,495,294

(3) CAPITAL ASSETS (CONTINUED)

A summary of changes in business-type activities capital assets for the year ended June 30, 2026 is as follows:

	Balance 6/30/2025	Additions	Reductions	Balance 6/30/2026
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	$ 1,433,299	$ 64,412	$ -	$ 1,497,711
Total capital assets being depreciated	1,433,299	64,412	-	1,497,711
Less accumulated depreciation for:				
Equipment	1,077,983	49,167	-	1,127,150
Total accumulated depreciation	1,077,983	49,167	-	1,127,150
Total capital assets being depreciated, net	355,316	15,245	-	370,561
Business-type activities capital assets, net	$ 355,316	$ 15,245	$ -	$ 370,561

Depreciation expense for the year ended June 30, 2026 was $176,761,650 and $49,167 for governmental and business-type activities, respectively.

(4) SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The Authority has entered into various SBITAs for the use of software applications and related services. These arrangements have been recorded as subscription assets and corresponding subscription liabilities on the combined statement of net position. The Authority recognizes the subscription liability at the commencement of the subscription term, measured as the present value of subscription payments expected to be made during the previously agreed-upon subscription term. The subscription asset is recognized at the same amount as the subscription liability, adjusted for any payments made to the provider at or before the commencement of the subscription term. The weighted average remaining term on SBITAs was 1.1 years and the weighted average discount rate used to calculate present value of the subscription payments was 2.00% as of June 30, 2026.

(4) SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS) (CONTINUED)

The details of the Authority's SBITA right to use assets as of June 30, 2026, are as follows:

	Balance 6/30/2025	Additions	Reductions	Balance 6/30/2026
Governmental Activities:				
Subscription assets	$ 632,322	$ -	$ -	$ 632,322
Amortization	(322,863)	(204,056)	-	(526,919)
SBITA right to use assets, net	$ 309,459	$ (204,056)	$ -	$ 105,403

Subscription assets are amortized on a straight-line basis over the shorter of the asset's useful life or the term of the subscription. Amortization expense for the year ended June 30, 2026 was $204,056.

Future minimum subscription payments to be paid under these SBITAs are as follows for the years ending June 30:

	Present Value of Payments	Total Interest	Future Minimum Payments
2027	$ 96,396	$ 3,374	$ 99,770

(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 R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

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

Retirement Benefits

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

(5) RETIREMENT BENEFITS (CONTINUED)

Retirement Benefits (Continued)

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.

As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service or 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 member, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Deferred 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.

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, 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 regular member hired before January 1, 2011, who was in state service at the time of death, must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit, regardless of when earned, in order for a benefit to be paid to a minor or handicapped child.

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Survivor's Benefits (Continued)

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

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.

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)

Contributions (Continued)

The employer contribution rates in effect for the year ended June 30, 2025 for the various plans follow:

Plan	Employer Rate
Appellate Law Clerks	34.74%
Appellate Law Clerks hired on or after 7/1/06	34.74%
Alcohol Tobacco Control	35.77%
Bridge Police	33.68%
Bridge Police hired on or after 7/1/06	33.68%
Corrections Primary	32.35%
Corrections Secondary	37.91%
Harbor Police	40.39%
Hazardous Duty	40.41%
Judges hired before 1/1/11	40.17%
Judges hired after 12/31/10	38.31%
Judges hired on or after 7/1/15	38.31%
Legislators	30.67%
Optional Retirement Plan (ORP) before 7/1/06	32.39%
Optional Retirement Plan (ORP) on or after 7/1/06	32.39%
Peace Officers	35.58%
Regular Employees hired before 7/1/06	34.74%
Regular Employees hired on or after 7/1/06	34.74%
Regular Employees hired on or after 1/1/11	34.74%
Regular Employees hired on or after 7/1/15	34.74%
Special Legislative Employees	32.67%
Wildlife Agents	46.38%
Aggregate Rate	**35.42%**

The Authority's contractually required composite contribution rate for the year ended June 30, 2026 was 33.15% of annual payroll (39.68% for hazardous duty), 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 $6,705,918 for the year ended June 30, 2026.

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum, net of investment expense
Inflation Rate	2.40% per annum.
Mortality	Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. 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 (2019-2023) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

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.

(5) RETIREMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.3% for 2025. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.85%
Domestic equity	34%	4.42%
International equity	17%	5.22%
Domestic fixed income	3%	2.53%
International fixed income	19%	5.37%
Alternative investments	27%	7.43%
Total fund	100%	5.75%

Discount Rate

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

Sensitivity of the 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 7.25%, 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 (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of the net pension liability	$ 44,496,167	$ 29,230,997	$ 19,066,808

(5) RETIREMENT BENEFITS (CONTINUED)

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

At June 30, 2026, the Authority reported a liability of $29,230,997 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 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, 2025, the Authority's proportion was 0.648408%, which was an increase of .048547% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the Authority recognized pension expense of $3,737,674 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of $3,387,733.

At June 30, 2026, 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	$ 406,037	$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(5,005,948)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,474,045	(270,470)
Employer contributions subsequent to the measurement date	6,705,918	-
Total	$ 8,586,000	$ (5,276,418)

(5) RETIREMENT BENEFITS (CONTINUED)

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

Deferred outflows of resources of $6,705,918 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, 2027. 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:	
2027	$ 1,840,763
2028	(2,475,484)
2029	(1,906,499)
2030	(855,116)
Total	$ (3,396,336)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2024 Annual Comprehensive Financial Report at www.lasersonline.org.

(6) OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefits Plan (OGB Plan)– a defined-benefit, multi-employer other postemployment benefit plan (OPEB). The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3:303. Benefit provisions are established under LA R.S. 42:851 for health insurance benefits and LA R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of LA R.S. 42:802. The Plan does not issue a stand-alone report.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, and OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated. 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.

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Contributions

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans. The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

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

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

Total OPEB Liability

At June 30, 2026, the Authority reported a liability of $17,739,189 for its proportionate share of the total collective OPEB liability. The net OPEB liability was measured as of July 1, 2025 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, 2025 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 1, 2025, the Authority's proportion was .234768%, an increase of .019647% from its proportion at July 1, 2024.

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2026, the Authority recognized OPEB expense of $1,220,481. At June 30, 2026, 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	$ 410,007	$ -
Change in assumptions	812,398	(1,716,216)
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,179,495	(288,131)
Employer contributions subsequent to the measurement date	1,241,043	-
Total	$ 5,642,943	$ (2,004,347)

The $1,241,043 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, 2027.

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

Year ending June 30:	
2027	$ 551,511
2028	1,092,180
2029	594,551
2030	159,311
Total	$ 2,397,553

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs

The total collective OPEB liability in the July 1, 2025 actuarial valuation was determined using the following actuarial methods, assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2025
Actuarial Cost Method	Entry Age Normal, level percentage of pay
Expected Remaining Service Lives	4.70 years
Inflation Rate	Consumer Price Index (CPI) 2.40%
Salary Increase Rate	Consistent with state's June 30, 2025 pension actuarial valuation
Discount Rate	5.2% based on the Bond Buyer 20 Index rate as of June 30, 2025
Mortality Rates	For general active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021. For general healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021. For general disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.
Healthcare Cost Trend Rates	8.25%, currently for pre-Medicare eligible employees grading down by .25% each year, to an ultimate rate of 4.5% in 2035; 7.00%, currently for post-Medicare eligible employees grading down by .2% to .5% each year, to an ultimate rate of 4.5% in 2035 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

(6) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 (4.20%) or one percentage point higher (6.20%) than the current discount rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Authority's proportionate share of the collective total OPEB liability	$ 20,599,242	$ 17,739,189	$ 15,430,469

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	$ 15,401,332	$ 17,739,189	$ 20,685,452

(7) LEASES

The LMA manages and leases boat slips, land, and building space to certain parties. At June 30, 2026, the leased assets consisted of the land, buildings and improvements with a cost of $201 million, $93.4 million of related accumulated depreciation, and current depreciation expense of approximately $5.3 million. Current year lease revenue amounts to $6.2 million, which includes $1.4 million of interest revenue on long-term leases. At June 30, 2026, the balance of deferred inflows of resources is $39,116,972.

The LMA's proprietary funds report lease receivables on leases that convey control to the use of OLD's nonfinancial assets and exist for a maximum term of greater than 12 months. Generally, boat slips are leased on a yearly basis and do not qualify for recognition.

The lease receivable for long-term leases is recognized at the commencement of the lease term at the present value of lease payments expected to be received during the lease period. Lease payments are subject to CPI and fair market value adjustments, depending on the term of the lease and tenant renewal options.

(7) LEASES (CONTINUED)

Future minimum rental payments to be received under these leases are as follows for the years ending June 30:

	Present Value of Payments					
	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Total Interest	Future Minimum Payments
2027	$ 1,168,271	$ 322,309	$ 727,434	$ 247,034	$ 1,411,195	$ 3,876,243
2028	1,187,421	333,746	753,265	121,064	1,324,980	3,720,476
2029	1,123,055	328,386	780,009	49,829	1,243,133	3,524,412
2030	751,109	340,028	807,703	48,997	1,165,226	3,113,063
2031	350,993	352,085	836,383	50,740	1,106,261	2,696,462
2032 - 2036	1,903,468	1,714,297	3,653,504	218,288	4,717,560	12,207,117
2037 - 2041	1,750,351	534,317	2,272,789	-	3,644,347	8,201,804
2042 - 2046	1,008,010	100,817	2,561,940	-	2,953,966	6,624,733
2047 - 2051	1,200,414	120,006	2,952,471	-	2,266,960	6,539,851
2052 - 2056	1,190,252	142,849	1,646,468	-	1,596,968	4,576,537
2057 - 2061	1,093,028	170,038	1,533,337	-	1,116,513	3,912,916
2062 - 2066	1,031,397	202,403	473,964	-	693,518	2,401,282
2067 - 2071	-	159,270	464,095	-	505,464	1,128,829
2072 - 2076	-	32,679	552,430	-	402,144	987,253
2077 - 2081	-	-	479,977	-	299,099	779,076
2082 - 2086	-	-	118,978	-	254,664	373,642
2087 - 2091	-	-	141,625	-	232,018	373,643
2092 - 2096	-	-	168,581	-	205,061	373,642
2097 - 2101	-	-	200,669	-	172,973	373,642
2102 - 2106	-	-	238,864	-	134,778	373,642
2107 - 2111	-	-	284,330	-	89,313	373,643
2112 - 2116	-	-	338,449	-	35,193	373,642
2117 - 2121	-	-	18,520	-	162	18,682
	$ 13,757,769	$ 4,853,230	$ 22,005,785	$ 735,952	$ 25,571,496	$ 66,924,232

(8) LONG-TERM OBLIGATIONS

The following table summarizes the changes in long-term obligations during the year ended June 30, 2026:

	Balance 6/30/2025	Additions	Reductions	Balance 6/30/2026	Due Within One Year
Governmental Activities:					
Compensated absences	$ 5,617,088	$ 440,383	$ -	$ 6,057,471	$ 1,382,436
SBITA liability	300,650	-	(204,254)	96,396	96,396
Net pension liability	28,893,775	-	(2,646,929)	26,246,846	-
Net OPEB liability	15,744,208	959,981	-	16,704,189	-
Total governmental activities	50,555,721	1,400,364	(2,851,183)	49,104,902	1,478,832
Business-Type Activities:					
Compensated absences	356,635	-	(87,002)	269,633	40,445
Net pension liabilities	3,727,986	-	(743,835)	2,984,151	-
Net OPEB liability	1,060,243	-	(25,243)	1,035,000	-
Total business-type activities	5,144,864	-	(856,080)	4,288,784	40,445
Total governmental and business-type activities	$ 55,700,585	$ 1,400,364	$ (3,707,263)	$ 53,393,686	$ 1,519,277

(9) CONTINGENT LIABILITIES

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 combined financial statements taken as a whole.

(9) CONTINGENT LIABILITIES (CONTINUED)

A former tenant obtained a $2.103 million trial court judgment against the Lakefront Management Authority in a lease dispute, which the Lakefront Management Authority has appealed. The case involves claims of breach of contract, fraud, and inverse condemnation related to a disputed lease extension. As of June 30, 2026, the judgment is under appeal in the Fourth Circuit Court of Appeal, and further appeals to the Louisiana Supreme Court are possible. The judgment awards approximately $2,103,845 in damages, plus legal interest from October 8, 2020 until paid, and court costs, as well as reasonable attorney fees under LA R.S. 13:5111(A). The Authority has not recorded a liability for this matter as of June 30, 2026. Management, after consultation with legal counsel, does not consider an unfavorable outcome to be probable at this stage of the appeals process.

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

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.

Federal Emergency Management Agency De-Obligations

LMA previously received funding from the Federal Emergency Management Agency (FEMA) for costs incurred in connection with two disaster-related projects. FEMA subsequently identified compliance issues associated with the projects and requested that LMA develop corrective action plans to address those issues. FEMA determined that the corrective action plans proposed by LMA did not adequately resolve the identified compliance issues and, as a result, de-obligated approximately $21 million of previously awarded and received federal funding.

LMA disputes FEMA's determinations and has pursued the administrative appeals available under the applicable federal regulations. Subsequent to June 30, 2026, FEMA issued a decision denying LMA's appeal related to both of the projects. LMA intends to pursue additional appeal rights available to it.

If FEMA's de-obligation determinations are ultimately upheld, LMA may be required to repay some or all of the approximately $21 million previously received. Based upon the information presently available, management, in consultation with legal counsel, has determined that an unfavorable outcome is reasonably possible. Accordingly, no liability has been recognized in the accompanying financial statements.

(10) DISAGGREGATION OF RECEIVABLE BALANCES

The following table displays the June 30, 2026 balances in receivables by each governmental activity:

	Authority	OLD	EJLD	LBBLD	LMA	OLD SLIP	Total Governmental
Ad valorem taxes	$ -	$ 1,651,880	$ 102,989	$ -	$ 86,731	$ 1,521,747	$ 3,363,347
Customers and other, net	1,606	92,462	10,775	197	424,291	-	529,331
Total governmental activities	$ 1,606	$ 1,744,342	$ 113,764	$ 197	$ 511,022	$ 1,521,747	$ 3,892,678

The following table displays the June 30, 2026 balances in receivables by each business-type activity:

	Southshore Harbor	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Non-Major	Total Business-Type
Customers and other, net	$ 48,317	$ 18,328	$ 23,994	$ 116,963	$ -	$ -	$ 207,602
Total business-type activities	$ 48,317	$ 18,328	$ 23,994	$ 116,963	$ -	$ -	$ 207,602

All amounts are due or expected to be collected within one year.

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by each district in November and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

The Louisiana Constitution provides that the OLD may levy an annual tax not to exceed 2.5 mills to construct and maintain levees, levee drainage, flood protection, hurricane flood protection, and all other incidental purposes. If the OLD needs to raise additional funds in excess of the amount authorized by the constitution, the taxes in excess of 2.5 mills must be approved by a majority vote of the electors of Orleans Parish. By 1983, the 2.5 mill constitutional tax was reestablished at 5.46 mills and the special levee improvement tax was reestablished at 6.07 mills.

By general election held in the City of New Orleans in 1983, the voters of Orleans Parish elected to continue the 6.07 mill ad valorem tax on assessed property for 30 years (1985-2015) to finance hurricane and flood protection projects and fund the retirement of levee improvement bonds. The electorate also approved an ongoing maintenance tax of 0.75 mills for maintaining the flood protection system.

On November 6, 2012, the citizens of the City of New Orleans voted to approve a renewal and rededication of the 6.07 mill tax for an additional 30 years. This included 5.46 mills dedicated to constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto including debt service payments, as well as 0.61 mills for operation and maintenance of non-revenue producing assets not directly related to drainage, flood control, or water resources development pertaining to tidewater flooding, hurricane control, or saltwater intrusion.

The OLD collects three ad valorem taxes: constitutional, maintenance, and special levee improvement tax. All tax other than provided in constitution must have approval of the voters of Orleans Parish. The citizens of New Orleans approved the special levee improvement and maintenance tax.

(10) DISAGGREGATION OF RECEIVABLE BALANCES (CONTINUED)

Ad Valorem Taxes (Continued)

The following table shows the maximum rates as well as the rates billed during the year ended June 30, 2026:

	Authorized	Levied 2026
Parish-wide taxes:		
Constitutional	5.46	5.46
Maintenance	0.75	0.75
Levee improvement	6.07	6.07
	12.28	12.28

The Louisiana Constitution provides that the EJLD for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto, the levee districts may levy annually a tax not to exceed 5.0 mills. If the EJLD needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of 5.0 mills must be approved by a majority vote of the electors.

The following table shows the maximum rates as well as the rates billed during the year ended June 30, 2026:

	Authorized	Levied 2026
Parish-wide taxes:		
Constitutional	3.82	3.82

The Louisiana Constitution provides that the LBBLD for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto, the levee districts may levy annually a tax not to exceed 5.0 mills. If the LBBLD needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of 5.0 mills must be approved by a majority vote of the electors.

The following table shows the maximum rates as well as the rates billed during the year ended June 30, 2026:

	Authorized	Levied 2026	Effective Years
Parish-wide taxes:			
Constitutional	3.99	3.99	
Maintenance	3.13	3.13	2015 - 2044
	7.12	7.12	

(11) DISAGGREGATION OF PAYABLE BALANCES

The following table displays the June 30, 2026 balances in payables by each governmental activity:

	Authority	OLD	EJLD	LBBLD	LMA	OLD SLIP	Total Governmental
Vendors and employees	$ 1,980,379	$ -	$ -	$ -	$ 3,278,828	$ -	$ 5,259,207
Contractor payables	-	-	35,053	-	-	109,162	144,215
Total governmental activities	$ 1,980,379	$ -	$ 35,053	$ -	$ 3,278,828	$ 109,162	$ 5,403,422

The following table displays the June 30, 2026 balances in payables by each business-type activity:

	Southshore Harbor	Lakefront Airport	Orleans Marina	New Basin Canal	Lake Vista	Non-Major	Total Business-Type
Contractor payables	$ 9,986	$ 612,904	$ -	$ -	$ -	$ -	$ 622,890
Total business-type activities	$ 9,986	$ 612,904	$ -	$ -	$ -	$ -	$ 622,890

All amounts are payable within one year. Due from other governments represents amounts to be received from Federal Emergency Management Agency and other grantors. As of June 30, 2026, the Authority had a balance of $3,276,005 due from other governments.

(12) INTERFUND BALANCES AND TRANSFERS

Transfers between funds during the year ended June 30, 2026 are as follows:

	Transfers In	Transfers Out
Governmental Funds:		
OLD	$ 13,522,836	$ -
LMA	-	45,515
Total governmental funds	13,522,836	45,515
Proprietary Funds:		
SSH	-	14,472
KNEW	-	13,270,176
LVCC	-	192,673
Total proprietary funds	-	13,477,321
Total	$ 13,522,836	$ 13,522,836

(12) INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Due to and due from other funds are netted in the governmental funds and statement of activities to arrive at one balance for each fund. The disaggregation of due to and due from accounts at June 30, 2026 is as follows:

	Due From Other Funds	Due To Other Funds
Governmental Funds:		
Authority	$ 3,956,175	$ 1,954
OLD	248,343	2,531,969
EJLD	-	843,979
LBBLD	-	223,521
LMA OLD Real Estate	58,452,543	55,677,312
LMA General Improvement	-	2,166,849
OLD SLIP	-	413,766
Total governmental funds	62,657,061	61,859,350
Proprietary Funds:		
SSH	1,225,096	6,434,581
KNEW	25,931,221	47,112,893
OM	9,826,821	1,815,130
NBC	17,811,826	428,334
LVCC	773,450	535,363
Non-major	1,756	41,580
Total proprietary funds	55,570,170	56,367,881
Total	$ 118,227,231	$ 118,227,231

(13) TAX ABATEMENT

East Jefferson Levee District

As of June 30, 2025, Jefferson Parish (the Parish) provides tax abatements primarily through one program – the Payment in Lieu of Tax (PILOT) program. In addition, the State of Louisiana offers a number of programs that provide tax abatements within the Parish including the Restoration Tax Abatement (RTA) Program, and the Industrial Tax Exemption Program (ITEP). Information related to the tax year ended December 31, 2026 was not available as of the date of this report.

The Parish enters into ad valorem (property) tax abatement agreements with local businesses through its economic development arm - the Jefferson Parish Economic Development and Port District (JEDCO). JEDCO is authorized under LA R.S. 34:2021 et seq, as well as LA R.S. 39:991 to 1001, inclusive, and other constitutional and statutory authority to acquire, own, lease, rent, repair, renovate, improve, finance, sell and dispose of facilities that are determined by JEDCO to be instrumental to the removal of blight, the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of Jefferson Parish through the construction, renovation, or rehabilitation of improvements, other than for public utility facilities. JEDCO utilizes a Payment in Lieu of Tax (PILOT) program, which includes a sale-leaseback agreement on targeted facilities whereby JEDCO, a political subdivision exempt from property taxes, takes title to the property and leases the property back to the business. Rent or lease payments are then made to the local governments in lieu of ad valorem (property) taxes on the property. The amounts of the payments under the agreements are negotiated between JEDCO and the business and can result in partial or total tax abatements. The payments are then made over an agreed-upon number of years (typically anywhere from 3 to 20 years).

JEDCO typically sets dollar investment thresholds, as well as job creation or retention goals within the agreement. Failure to comply with these thresholds can affect the amount of tax abatement on a go forward basis. There are currently five active PILOT programs in the Parish. Payments received or due at June 30, 2025 under these PILOT agreements amounted to $2,162,792, of which $14,944 is due to the Authority.

The Restoration Tax Abatement (RTA) program is an economic development incentive created for use by municipalities and local governments to encourage the expansion, restoration, improvement, and development of existing commercial and residential properties in Downtown Development Districts, Economic Development Districts, or Historic Districts. The Parish has several eligible districts on both the east and west banks of the river. The program is authorized under LA R.S. 47:4311-4319 and is administered by the Louisiana Department of Economic Development (LED). Abatements are obtained through application by the property owner, subject to approval by the Governor, the Louisiana Board of Commerce and Industry, and the local governing authority (i.e., the Parish), which includes proof that the property is in a targeted district and that the improvements have been made. The program allows the owner the right for five (5) years, to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project. Thus, the RTA abatement is equal to 100 percent of the additional ad valorem (property) tax resulting from the increase in assessed value as a result of the improvements. The contract may be eligible for renewal, subject to the same conditions, for an additional five (5) years, if approved.

(13) TAX ABATEMENT (CONTINUED)

East Jefferson Levee District (Continued)

Under this program, the amount of the improvements (i.e., the "contract value") is not included in the tax assessment until the abatement period has ended and the property is assessed with the improvements taken into account. Because the Parish Assessor does not reassess the value of the property until the abatement period has expired, it is not possible to calculate the true amount of taxes abated in anyone year. The amounts shown are the estimated maximum amount of taxes that would be abated if the full contract value as adjusted for depreciation were added to the assessed value (which would hardly ever be the case). The actual amount of taxes abated can be substantially less than what is noted. At December 31, 2025, there were 10 active RTA abatement contracts in the Parish.

The Industrial Tax Exemption Program (ITEP) is a full, 100 percent exemption from local ad valorem (property) taxes as authorized in the Louisiana Constitution of 1974, Article VII, Part 2, Section 21(F), as amended by the Governor's Executive Order No. JBE 2016-26. Participating companies are eligible to receive an initial five (5) year exemption, plus the opportunity for a five (5) year renewal, for a total often (10) years of full exemption from local property taxes. The program is available only to manufacturers. Manufacturing businesses are defined as those with a North American Industry Classification System (NAICS) code of 31, 32, or 33. General categories include food manufacturers and manufacturers of durable and non-durable goods. The types of specific businesses eligible to receive ITEP exemptions are varied, including fertilizer and pesticide manufacturers, petrochemical manufacturers, industrial equipment and machinery manufacturers, and even breweries. Up until now, Louisiana has had no job creation or capital investment thresholds required for eligibility. The exemption applies to all improvements to land, buildings, machinery, equipment, and any other property that is part of the manufacturing process. Maintenance capital (i.e., property replacements and refurbishments) is also eligible for the exemption. The land on which the manufacturing establishment is located is not eligible for the exemption. An advance notification of intent to apply for the tax exemption is filed with the Louisiana Office of Economic Development (LED) Office of Business Development. The LED then presents the application to the Louisiana Board of Commerce and Industry for review and approval. The applicant files an annual report with the Parish Assessor listing the exempted property so that it may be separately listed on the tax rolls.

While the ITEP program is still available and being used, the recent Governor's Executive Order has placed several limitations and new criteria on the ITEP program until the statute could be revisited. At December 31, 2025, there are 56 active ITEP abatements in the Parish.

The amount of tax abatements granted during 2025 under each program is as follows:

Source/Tax Abatement Program	Type of Tax	Parish's Share of Taxes Abated	
RTA Program	Ad Valorem	$	649,810
ITEP Program	Ad Valorem	$	6,304,287

(13) TAX ABATEMENT (CONTINUED)

Lake Borgne Basin Levee District

The St. Bernard Parish Assessor (the "Assessor") negotiates property tax abatement agreements on the Parish's behalf on an individual basis. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The Assessor has tax abatement agreements with four entities as of December 31, 2024.

Four oil and gas companies, through an agreement negotiated with the Industrial Tax Exemption program has property assessed at $44,483,885 with exempt taxes of $6,276,679. The Parish's portion of these taxes was $4,025,792. Lake Borgne Basin Levee District's portion of the amount of taxes abated was approximately $216,000 for the tax year ended December 31, 2024.

The Industrial Tax Exemption program may be granted to manufacturers located within the Parish. The Industrial Tax Exemption program abates, up to ten years, local property taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing sale. The Assessor has not made any commitments as part of the agreements other than to reduce taxes. The Parish is not subject to any tax abatement agreements entered into by other governmental entities other than the Assessor.

Orleans Levee District

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Restoration Tax Abatement Program (RTAP).

Under the RTAP, as authorized by Article 7, Section 21(H) of the Louisiana Constitution and LA R.S. 47:4311, companies that expand, restore, improve, or develop an existing structure or structures in a downtown, historic, or economic development district can apply to the State Board and the local governing authority for a property tax exemption. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon the approval of the State Board and the local governing authority. The property tax abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

The City Council of the City of New Orleans approved tax abatement projects of which $949,755 was for the Authority.

(14) PRIOR PERIOD RESTATEMENT

During the year ended June 30, 2026, management identified expenses related to an ongoing project that were associated with the year ended June 30, 2025 year end that were not accrued. The effect of the change to the June 30, 2025 financials was to increase construction in progress and contracts payable by $2,974,065 on the combined statement of net position. At the government-wide level there is an increase to the governmental activities net investment in capital assets and decrease to the business-type activities unrestricted net position of $2,974,065. At the fund level, there was a decrease in KNEW's fund net position of $2,974,065.

(15) NEW ACCOUNTING PRONOUNCEMENTS – NOT YET ADOPTED

The GASB has released Statement No. 105, *Subsequent Events* (Statement 105). This Statement provides a standalone framework to bring consistency and clarity to how governments evaluate events occurring after their fiscal year-end. The requirements of this statement are effective for periods beginning after June 15, 2026. The Authority plans to adopt this Statement as applicable by the effective date.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2026

	Original Budgetary Amounts	Final Budgetary Amounts	Variance Between Original and Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:					
Taxes	$ 74,086,100	$ 74,086,100	$ -	$ 77,536,994	$ 3,450,894
Intergovernmental	1,568,900	1,568,900	-	1,576,160	7,260
Royalties, leases, and permits	-	-	-	270,531	270,531
Operating grants	-	-	-	171,761	171,761
Miscellaneous income	2,534,400	2,534,400	-	4,002,991	1,468,591
Investment income	6,530,400	6,530,400	-	7,937,467	1,407,067
Total revenues	84,719,800	84,719,800	-	91,495,904	6,776,104
EXPENDITURES:					
Personnel services	35,121,910	35,121,910	-	30,897,322	4,224,588
Travel and training	473,400	473,400	-	257,873	215,527
Professional services	1,219,500	1,219,500	-	745,985	473,515
Contractual services	12,709,900	12,709,900	-	12,448,360	261,540
Materials and supplies	3,832,400	3,832,400	-	4,011,859	(179,459)
Other charges	1,703,150	1,703,150	-	3,071,934	(1,368,784)
Capital outlay	17,325,100	17,325,100	-	18,065,378	(740,278)
Total expenditures	72,385,360	72,385,360	-	69,498,711	2,886,649
Excess (deficiency) of revenues over (under) expenditures	12,334,440	12,334,440	-	21,997,193	9,662,753
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	388,000	388,000	-	954,324	566,324
Insurance proceeds	250,000	250,000	-	-	(250,000)
Net transfers	-	-	-	13,477,321	13,477,321
Settlement (loss)	-	-	-	(844,761)	(844,761)
Total other financing sources(uses)	638,000	638,000	-	13,586,884	$ 12,948,884
Net change in fund balance	12,972,440	12,972,440	-	35,584,077	
Fund balance, beginning of year	210,602,992	210,602,992	-	210,602,992	
Fund balance, end of year	$ 223,575,432	$ 223,575,432	$ -	$ 246,187,069	

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY

LAST TEN FISCAL YEARS*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM										
Authority's Proportion of the Collective Net Pension Liability	0.64841%	0.59986%	0.54820%	0.57849%	0.60011%	0.59881%	0.59261%	0.59517%	0.52523%	0.51519%
Authority's Proportionate Share of the Collective Net Pension Liability	$ 29,230,997	$ 32,621,760	$ 36,534,483	$ 43,732,274	$ 33,029,909	$ 49,525,338	$ 42,933,936	$ 40,590,092	$ 36,970,047	$ 40,455,876
Authority's Covered Payroll	$ 13,921,791	$ 14,486,319	$ 16,390,771	$ 14,189,776	$ 14,979,528	$ 13,231,864	$ 11,875,698	$ 10,370,537	$ 9,590,382	$ 8,998,164
Authority's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	209.97%	225.19%	222.90%	308.20%	220.50%	374.29%	361.53%	391.40%	385.49%	449.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.3%	74.6%	68.4%	63.7%	72.8%	58.0%	62.9%	62.5%	62.5%	57.7%

**The amounts presented have a measurement date of June 30th of the prior year.*

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
LAST TEN FISCAL YEARS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM										
Contractually Required Contribution	$ 6,705,918	$ 5,933,097	$ 6,105,286	$ 6,621,872	$ 5,377,925	$ 5,677,241	$ 5,385,369	$ 4,500,890	$ 3,932,736	$ 3,434,588
Contributions in Relation to the Contractually Required Contribution	(6,705,918)	(5,933,097)	(6,105,286)	(6,621,872)	(5,377,925)	(5,677,241)	(5,385,369)	(4,500,890)	(3,932,736)	(3,434,588)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll	$ 19,123,300	$ 13,921,791	$ 14,486,319	$ 16,390,771	$ 14,189,776	$ 14,979,528	$ 13,231,864	$ 11,875,698	$ 10,370,537	$ 9,590,382
Contributions as a Percentage of Covered-Employee Payroll	35.07%	42.62%	42.15%	40.40%	37.90%	37.90%	40.70%	37.90%	37.92%	35.81%

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY

LAST TEN FISCAL YEARS*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
OFFICE OF GROUP BENEFITS										
Authority's Proportion of the Collective Net OPEB Liability	0.23477%	0.21512%	0.19638%	0.19690%	0.20284%	0.20706%	0.20291%	0.19613%	0.24770%	0.24770%
Authority's Proportionate Share of the Collective Net OPEB Liability	$ 17,739,189	$ 16,804,453	$ 14,037,809	$ 13,287,308	$ 18,573,151	$ 17,154,205	$ 15,669,722	$ 16,742,568	$ 16,634,063	$ 17,365,578
Authority's Covered Payroll	$ 15,637,507	$ 13,813,181	$ 12,678,496	$ 12,349,942	$ 12,719,075	$ 12,640,391	$ 11,135,266	$ 13,231,864	$ 11,875,698	$ 10,370,537
Authority's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered Payroll	113.44%	121.66%	110.72%	107.59%	146.03%	135.71%	140.72%	126.53%	140.07%	167.45%

**The amounts presented have a measurement date of July 1 of the prior year.*

(1) ANALYSIS OF BUDGETARY VARIATION

Revenue

The various governmental funds of the Authority budgeted $85 million in revenues for the fiscal year ended June 30, 2026. The Authority's actual governmental revenues were $7 million more than budgeted primarily due to higher than expected tax revenues and earnings from investments. Actual taxes were $77 million compared to the $74 million budgeted and actual investment earnings were $8 million compared to the $6.5 million budgeted.

Expenditures

The various governmental funds of the Authority budgeted $72 million in expenses for the fiscal year ended June 30, 2026. Actual governmental expenditures were $3 million less than budgeted primarily due to decreases in amounts expended for personnel services. Actual personnel services were $31 million compared to the $35 million budgeted.

Other Financing Sources (Uses)

The various governmental funds of the Authority budgeted $638 thousand in other financing sources for the fiscal year ended June 30, 2026. The Authority's actual governmental other financing sources were $13 million more than budgeted primarily due to net transfers of $13.5 million and settlement losses of $850 thousand that are not budgeted for.

(2) PENSION PLAN SCHEDULES

Change of Benefit Terms

For the valuation year ended June 30, 2017, 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 and added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

For the valuation year ended June 30, 2016, there was a 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and, improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

There were no changes in benefit terms during any other years presented.

(2) PENSION PLAN SCHEDULES (CONTINUED)

Changes of Assumptions

For the valuation year ended June 30, 2025, there were no changes.

For the valuation year ended June 30, 2024, the inflation rate increased from 2.3% to 2.4%.

For the valuation year ended June 30, 2023, there were no changes.

For the valuation year ended June 30, 2022, the investment rate of return was decreased from 7.60% to 7.25%. The inflation rate was also decreased from 2.5% to 2.3%.

For the valuation year ended June 30, 2021, the investment rate of return was increased from 7.55% to 7.60%. The inflation rate was also increased from 2.3% to 2.5%.

For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%. The inflation rate was also decreased from 2.5% to 2.3%. The remaining expected service lives assumption was reduced from 3 years to 2 years.

During the year ended June 30, 2019, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.4% – 14.3% to 3.2% – 14.0%.

During the year ended June 30, 2018, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.70% to 7.65%.

During the year ended June 30, 2017, the LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.75% to 7.70%. LASERS lowered its inflation rate assumption from 3.0% to 2.75%. Additionally, LASERS adjusted the ranges of its salary increase assumptions from 3.6% – 14.5% to 3.4% – 14.3%.

(3) 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 valuation dates presented.

(3) OPEB SCHEDULE (CONTINUED)

Changes of Assumptions

For the July 1, 2025 valuation, the discount rate changed from 3.93% to 5.20%. Baseline per capita costs and medical plan election percentages were updated to reflect 2025 claims and enrollment. The Medicare healthcare cost trend decreased by .25%, down to 8.25%.

For the July 1, 2024 valuation, the discount rate changed from 4.13% to 3.93%. Baseline per capita costs and medical plan election percentages were updated to reflect 2024 claims and enrollment.

For the July 1, 2023 valuation, the discount rate changed from 4.09% to 4.13%. Baseline per capita costs were updated to reflect 2023 claims and enrollment.

For the July 1, 2022 valuation, the discount rate changed from 2.18% to 4.09%. Baseline per capita costs were updated to reflect 2022 claims and enrollment. Medical plan election percentages were updated based on the coverage elections of recent retirees.

For the July 1, 2021 valuation, the discount rate changed from 2.66% to 2.18%. Baseline per capita costs were updated to reflect 2021 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2022 premiums. 2021 medical claims and enrollment experience were reviewed but not included in the projection of expected 2022 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

For the July 1, 2020 valuation, the discount rate changed from 2.79% to 2.66%. Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

For the July 1, 2019 valuation, the discount rate was adjusted to 2.79%. Additionally, per capita costs and premiums were updated, certain demographic assumptions were revised, high cost excise tax was removed, and life insurance contributions were adjusted.

(3) OPEB SCHEDULE (CONTINUED)

Changes of Assumptions (Continued)

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.

There were no changes in assumption for the July 1, 2017 valuation.

OTHER SUPPLEMENTARY INFORMATION – PART I

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2026

	Jeff Williams Regional Director 7/31/2025 through 6/30/2026
Salary	$ 206,121
Benefits-health insurance	18,214
Benefits-retirement	68,329
Benefits-life insurance	94
Benefits-short-term disability	239
Benefits-FICA and Medicare	3,022
Car allowance	9,000
Cell phone	887
Reimbursements	304
	$ 306,210

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF BOARD MEMBERS' COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2026

BOARD MEMBERS	COMPENSATION
Peter Vicari	$ 3,828
Ronald Schumann	1,767
Elton Meyers	1,249
Kerwyn King	2,197
David Martin	-
Gregory Marsiglia	3,378
	$ 12,419

See Independent Auditors' Report.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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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
Southeast Louisiana Flood Protection Authority - East and
Lakefront Management Authority Board
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America, Louisiana Governmental Audit Guide, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority - East (the "Authority") as of and for the year ended June 30, 2026, and the related notes to the combined financial statements, which collectively comprise the Authority's basic combined financial statements and have issued our report thereon dated September 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined 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 combined 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 or significant deficiencies may exist that were not identified.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners
Southeast Louisiana Flood Protection Authority - East and
Lakefront Management Authority Board
New Orleans, Louisiana
September 30, 2026

Report on Compliance and Other Matters

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

Purpose of This Report

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

This report is intended solely for the information and use of management, the boards 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.

September 30, 2026
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2026

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the combined financial statements of the Southeast Louisiana Flood Protection Authority - East.

2. No significant deficiencies or material weaknesses in internal control relating to the audit of the combined financial statements is 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 Southeast Louisiana Flood Protection Authority - East 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 management letter was issued for the year ended June 30, 2026.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2026.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2026

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2025.

SECTION II - MANAGEMENT LETTER

There was no management letter for the year ended June 30, 2025.

OTHER SUPPLEMENTARY INFORMATION – PART II

ANNUAL FISCAL REPORT (AFR)
FOR 2026

See Independent Auditors' Report

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East
PREPARED BY: Maria Chedid
PHONE NUMBER: 504-286-3126
EMAIL ADDRESS: mchedid@floodauthority.org
SUBMITTAL DATE: 09/24/2026 06:35 PM

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	1,914,262.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	241,636,881.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	5,574,695.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	2,465,048.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	3,172,203.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	438,652.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	4,248,535.00
TOTAL CURRENT ASSETS	**$259,450,276.00**
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	38,887,688.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	36,946,736.00
BUILDINGS AND IMPROVEMENTS	214,760,720.00
MACHINERY AND EQUIPMENT	12,803,677.00
INFRASTRUCTURE	5,972,346,260.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	18,903,059.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)	105,403.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$6,294,753,543.00**
TOTAL ASSETS	**$6,554,203,819.00**
DEFERRED OUTFLOWS OF RESOURCES	

ANNUAL FISCAL REPORT (AFR)
FOR 2026

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PREPARED BY: Maria Chedid
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SUBMITTAL DATE: 09/24/2026 06:35 PM

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	5,642,943.00
PENSION-RELATED	8,586,000.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$14,228,943.00**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$6,568,432,762.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	6,132,113.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	273,185.00
OTHER CURRENT LIABILITIES	519,708.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	715,321.00
COMPENSATED ABSENCES PAYABLE	1,422,881.00
LEASE LIABILITY	0.00
SBITA LIABILITY	96,396.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$9,159,604.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	4,904,223.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	17,739,189.00
NET PENSION LIABILITY	29,230,997.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East
PREPARED BY: Maria Chedid
PHONE NUMBER: 504-286-3126
EMAIL ADDRESS: mchedid@floodauthority.org
SUBMITTAL DATE: 09/24/2026 06:35 PM

TOTAL NONCURRENT LIABILITIES	**$51,874,409.00**
TOTAL LIABILITIES	**$61,034,013.00**
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	39,116,972.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	2,004,347.00
PENSION-RELATED	5,276,418.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$46,397,737.00**
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	6,255,625,156.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	500,000.00
UNRESTRICTED	**$204,875,856.00**
TOTAL NET POSITION	**$6,461,001,012.00**

ANNUAL FISCAL REPORT (AFR)
FOR 2026

See Independent Auditors' Report

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East
PREPARED BY: Maria Chedid
PHONE NUMBER: 504-286-3126
EMAIL ADDRESS: mchedid@floodauthority.org
SUBMITTAL DATE: 09/24/2026 06:35 PM

STATEMENT OF ACTIVITIES

	PROGRAM REVENUES			
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	**NET (EXPENSE) REVENUE**
232,908,620.00	7,498,771.00	0.00	16,102,275.00	**$(209,307,574.00)**

GENERAL REVENUES - PAYMENTS FROM THE STATE OF LOUISIANA (PRIMARY GOVERNMENT)	0.00
GENERAL REVENUES - OCCUPANCY TAXES	0.00
GENERAL REVENUES - SALES TAXES	0.00
GENERAL REVENUES - PROPERTY TAX AND OTHER TAXES	79,187,970.00
GENERAL REVENUES - INVESTMENT EARNINGS	7,937,467.00
GENERAL REVENUES - OTHER GENERAL REVENUES	6,867,612.00
ADDITIONS TO PERMANENT FUNDS AND ENDOWMENTS	0.00
UNUSUAL OR INFREQUENT ITEMS - INFLOWS	0.00
UNUSUAL OR INFREQUENT ITEMS - OUTFLOWS	0.00
CHANGE IN NET POSITION	**$(115,314,525.00)**
NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED	**$6,576,927,815.00**
NET POSITION - RESTATEMENT - ERROR CORRECTION	(612,278.00)
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - BEGINNING, AS RESTATED	**$6,576,315,537.00**
NET POSITION - ENDING	**$6,461,001,012.00**

See Independent Auditors' Report

ANNUAL FISCAL REPORT (AFR)
FOR 2026

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East
PREPARED BY: Maria Chedid
PHONE NUMBER: 504-286-3126
EMAIL ADDRESS: mchedid@floodauthority.org
SUBMITTAL DATE: 09/24/2026 06:35 PM

DUES AND TRANSFERS

Account Type Amounts due from Primary Government	Intercompany (Fund)	Amount
	GF - General Fund	3,172,203.00
	Total	**$3,172,203.00**

Account Type Amounts due to Primary Government	Intercompany (Fund)	Amount
	Total	**$0.00**

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FOR 2026

See Independent Auditors' Report

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East
PREPARED BY: Maria Chedid
PHONE NUMBER: 504-286-3126
EMAIL ADDRESS: mchedid@floodauthority.org
SUBMITTAL DATE: 09/24/2026 06:35 PM

SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
		0.00	0.00	0.00	$ 0.00	0.00
		Totals	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Series - Unamortized Premiums:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	
			0.00	0.00	$ 0.00	
		Totals	**$0.00**	**$0.00**	**$0.00**	

Series - Unamortized Discounts:

Series Issue	Date of Issue		Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	
			0.00	0.00	$ 0.00	
		Totals	**$0.00**	**$0.00**	**$0.00**	

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
2058	0.00	0.00
2059	0.00	0.00
2060	0.00	0.00
2061	0.00	0.00
Premiums and Discounts	**$0.00**	
Total	**$0.00**	**$0.00**

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2025 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported.	1,220,481.00
Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits)	15,637,507.00
For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2025 - 6/30/2026). This information will be provided to the actuary for the valuation report early next year.	0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2026 for their OPEB valuation report.)

Covered Employee Payroll for the **CURRENT** fiscal year (not including related benefits)	0.00

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CERTAIN RISK DISCLOSURES (GASB 102)

A concentration or constraint must meet the following criteria before disclosure is required:

a. The concentration or constraint is known prior to the issuance of the financial statements.
b. The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact.
c. An event associated with the concentration or constraint that could cause a substantial impact has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are issued. Note: The State's financial statements are issued December 31 for the fiscal year ended June 30.

If the concentration or constraint meets all the criteria above, disclose the following for each concentration or constraint. Note: If the agency has taken mitigation action that causes any of the disclosure criteria not to be met, no disclosure is required.

Do you have any concentrations or constraints to disclose that meet the criteria described above? No

List the concentration or constraint:	List each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred, has begun to occur, or is more likely than not to begin to occur prior to December 31, 2027.	Disclose the actions taken by the entity to mitigate the risk.

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UNUSUAL OR INFREQUENT ITEMS

This disclosure is for any inflows or outflows occurring during the fiscal year that are either unusual in nature or infrequent in occurrence. Unusual in nature means the underlying event or transaction possesses a high degree of abnormality and is clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the agency, taking into account the environment in which the agency operates. Infrequent in occurrence means the underlying event or transaction that occurred is not reasonably expected to recur in the foreseeable future, taking into account the environment in which the agency operates.

Does your agency have any material unusual or infrequent items? No

Describe each unusual or infrequent item separately and indicate whether the item was within the control of management. Also, describe inflows and outflows separately.
Example: The agency experienced a flood during March of 20X5 that was a catastrophic event outside the control of management. The agency incurred expenses to clean up flood damage in the amount of $10 million. The agency also received $2.5 million in grants from the federal government to assist with the cleanup effort.

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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

For each beginning net position restatement resulting from a correction of an error, select the SNP account and the SOA account affected by the error. Only material errors should be restated. Immaterial errors should be corrected through current period revenue or expenses, as applicable. In the description field, explain the nature of the error, and its correction, including periods affected by the error.

Account Name/Description	Beginning Net Position Restatement Amount
SNP CURRENT ASSETS - RECEIVABLES (NET)	
SOA CHARGES FOR SERVICES Description: Audit balance difference from prior year after AFR was submitted	(612,278.00)
Total Restatement - Error Corrections	**$(612,278.00)**

CHANGES IN ACCOUNTING PRINCIPLE

For each beginning net position restatement resulting from the application of a new accounting principle, select the SNP account and the SOA account that are affected by the change in accounting principle. In the description field explain the nature of the change in accounting principle and the reason for the change. If the change is due to the implementation of a new GASB pronouncement, identify the pronouncement that was implemented.

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Changes in Accounting Principle	**$0.00**

CHANGES IN REPORTING ENTITY

Describe the nature and reason for the change to or within the finanical reporting entity and list the effect (amount) on beginning net position.

Description	Effect on Beginning Net Position
	0.00
Total Restatement - Changes in Reporting Entity	**$0.00**

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SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address: LLAFileroom@lla.la.gov.