

**ANNUAL FINANCIAL REPORT**  
**SOUTHEAST LOUISIANA FLOOD**  
**PROTECTION AUTHORITY – EAST**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2020**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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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 Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority - East (the Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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



To the Board of Commissioners  
Southeast Louisiana Flood Protection Authority - East and  
Lakefront Management Authority Board  
October 6, 2020

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority - East as of June 30, 2020 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.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds Budget and Actual on page 57, and schedules of Proportionate Share of Net Pension Liability, Contributions – Retirement Plan, Proportionate Share of the Collective Net OPEB Liability on pages 58 - 60 and the related Notes to Required Supplemental Information on page 60 - 61 (together "required supplementary information") are presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head 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 a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*



**ERICKSEN KRENTEL** LLP

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To the Board of Commissioners  
Southeast Louisiana Flood Protection Authority - East and  
Lakefront Management Authority Board  
October 6, 2020

*Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Schedule of Expenditures of Federal Awards, and the Annual Fiscal Report to the Office of the Governor are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Benefits and Other Payments to Agency Head, Schedule of Expenditures of Federal Awards, and the Annual Fiscal Report to the Office of the Governor are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

October 6, 2020  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION**

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2020

The Management's Discussion and Analysis of the Southeast Louisiana Flood Protection Authority – East (the Authority) presents a narrative overview and analysis of the Authority's financial results for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts relating to the following five (5) organizations:

- The administrative arm of the Authority
- The Orleans Levee District (Flood Division)
- The East Jefferson Levee District
- The Lake Borgne Basin Levee District
- The Orleans Levee District (Non-Flood Division) - Lakefront Management Authority

Management and control of the Authority's administrative arm, the East Jefferson Levee District (EJLD), the Orleans Levee District (OLD), and the Lake Borgne Basin Levee District (LBBLD) rests with the Southeast Louisiana Protection Authority- East. The powers and duties of the Southeast Louisiana Flood Protection Authority – East Board of Commissioners are designated in LA R.S. 38:330.2.

The ownership management and control of the OLD's non-flood protection functions and activities are specified in LA R.S. 38:330.12. While the OLD maintains ownership of the assets assigned to the Non-Flood Division, the Southeast Louisiana Flood Protection Authority East is prohibited from managing or operating them. Accordingly, they are managed and controlled by the Lakefront Management Authority (formerly Non-Flood Protection Asset management Authority). The powers and duties of the Lakefront Management Authority are designated in LA R.S. 38:330.12 and LA R.S. 38:330.12.1.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The "government-wide financial statements" are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The "Statement of Net Position" presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
JUNE 30, 2020

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish function of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Authority only has both governmental activities and business-type activities.

The governmental activities include most of the Authority's basic services such as infrastructure, public works, and general government. Property taxes and operating grants finance most of this activity. The vast majority of governmental activities are related to flood protection and are controlled and managed by the Authority. Governmental activities unrelated to flood control are controlled and managed by the Lakefront Management Authority.

The business-type activities reflect operations that are financed and operated in a manner similar to private businesses where the entity charges a fee for services it provides. The Orleans Levee District's marinas, airport, and Business Park are included here. The Authority created two proprietary funds in the 2020 fiscal year for administering the police details of OLD and EJLD.

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

### **FUND FINANCIAL STATEMENTS**

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

The Authority's funds are classified as "governmental funds" and "proprietary funds". Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
JUNE 30, 2020

The proprietary funds for which the Lakefront Management Authority, OLD Police, or EJLD police charge customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

The Authority and the Lakefront Management Authority maintain various funds that are grouped for management purposes into various fund types. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Statement of Revenues, Expenditures, and Changes In Fund Balances for the following funds: Authority General Fund, Orleans Levee District General Fund, East Jefferson Levee District General Fund, Orleans Levee District Special Levee Improvement Fund, Lake Borgne Basin Levee District General Fund, all of which are under the management and control of the Authority; and the Orleans Levee District Real Estate Fund and Orleans Levee District General Improvement Fund, both of which are under the management and control of the Lakefront Management Authority. All of these funds are considered to be "major" funds.

The Authority's Board of Commissioners and the Lakefront Management Authority Board adopt annual budgets for all of the General Funds and Improvement Funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget

**NOTES TO THE FINANCIAL STATEMENT**

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

**BASIC COMBINED FINANCIAL STATEMENT**

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

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

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

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
JUNE 30, 2020

**FINANCIAL HIGHLIGHTS**

**Condensed Statement of Net Position**

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

**Table 1**  
**Net Position**  
**(In Thousands)**

	Governmental		Business-Type		Total	
	Activities		Activities		Activities	
	2020	2019 restated	2020	2019	2020	2019 restated
Current and other assets	\$ 160,932	\$ 145,550	\$ 9,115	\$ 8,521	\$ 170,047	\$ 154,072
Capital assets	<u>7,110,375</u>	<u>5,573,628</u>	<u>79</u>	<u>103</u>	<u>7,110,454</u>	<u>5,573,730</u>
Total assets	<u>7,271,307</u>	<u>5,719,178</u>	<u>9,194</u>	<u>8,624</u>	<u>7,280,501</u>	<u>5,727,802</u>
Total deferred outflows of resources	12,389	10,047	1,178	1,260	13,566	11,308
Current liabilities	21,547	8,826	1,364	776	22,911	9,603
Long-term liabilities	<u>54,876</u>	<u>52,933</u>	<u>5,169</u>	<u>5,677</u>	<u>60,045</u>	<u>58,610</u>
Total liabilities	<u>76,423</u>	<u>61,759</u>	<u>6,532</u>	<u>6,454</u>	<u>82,956</u>	<u>68,213</u>
Total deferred inflows of resources	4,110	2,057	484	175	4,594	2,232
Net investment in capital assets	7,109,589	5,569,720	79	103	7,109,668	5,569,822
Restricted for PCCP	500	500	-	-	500	500
Unrestricted	<u>93,074</u>	<u>95,189</u>	<u>3,276</u>	<u>3,153</u>	<u>96,349</u>	<u>98,343</u>
Total net position	<u>\$ 7,203,162</u>	<u>\$ 5,665,409</u>	<u>\$ 3,355</u>	<u>\$ 3,256</u>	<u>\$ 7,206,517</u>	<u>\$ 5,668,665</u>

- The Authority's total net position at the close of fiscal year 2020 was \$7.2 billion compared with net position a year earlier of \$5.66 billion for an increase of approximately \$1.5 billion. This increase was due to the receipt of levee assets from the United States Army Corps of Engineers.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
JUNE 30, 2020

**Condensed Statement of Activities and Changes in Net Position**

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

**Table 2**  
**Changes in Net Position**  
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Program revenues	\$ 2,400	\$ 4,393	\$ 13,541	\$ 6,238	\$ 15,941	\$ 10,631
Program expenses	(67,904)	(58,312)	(5,972)	(9,291)	(73,877)	(67,603)
Program gain (loss)	(65,504)	(53,919)	7,569	(3,053)	(57,936)	(56,972)
General revenues and transfers	1,603,256	181,184	(7,470)	(89,661)	1,595,786	91,523
Changes in net position	<u>\$ 1,537,752</u>	<u>\$ 127,265</u>	<u>99</u>	<u>\$ (92,714)</u>	<u>\$ 1,537,850</u>	<u>\$ 34,551</u>

- Net program loss increased by \$2 million. This is primarily due to a \$10 million increase in spending on flood and drainage protection and property management, coupled with increases in capital grants received of \$6.5 million primarily related to construction at the Lakefront Airport.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
JUNE 30, 2020

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

	Governmental Activities		Business-Type Activities		Total Activities	
	2019		2019		2019	
	2020	restated	2020	2019	2020	restated
Land	\$ 36,947	\$ 36,947	\$ -	\$ -	\$ 36,947	\$ 36,947
Buildings	54,114	55,980	-	-	54,114	55,980
Improvements	64,210	58,125	-	-	64,210	58,125
Equipment	7,540	6,002	79	103	7,619	6,105
Infrastructure	880,139	901,404	-	-	880,139	901,404
Construction-in-progress	<u>6,067,426</u>	<u>4,515,170</u>	<u>-</u>	<u>-</u>	<u>6,067,426</u>	<u>4,515,170</u>
Total capital assets, net	<u>\$ 7,110,375</u>	<u>\$ 5,573,628</u>	<u>\$ 79</u>	<u>\$ 103</u>	<u>\$ 7,110,454</u>	<u>\$ 5,573,731</u>

Governmental total fixed assets increased by \$1.5 billion due to the transfer of assets from the U.S. Army Corps of Engineers.

**LONG-TERM DEBT**

The following table lists long-term obligations and deferred inflows:

**Table 4**  
**Outstanding Debt, at Year-end**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 1,370	\$ 1,203	\$ 71	\$ 74	\$ 1,441	\$ 1,277
OPEB liability	14,738	15,413	931	1,330	15,670	16,743
Pension liability	<u>38,768</u>	<u>36,317</u>	<u>4,166</u>	<u>4,273</u>	<u>42,934</u>	<u>40,590</u>
Total long-term liabilities	<u>\$ 54,876</u>	<u>\$ 52,933</u>	<u>\$ 5,169</u>	<u>\$ 5,677</u>	<u>\$ 60,045</u>	<u>\$ 58,610</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2020**

**VARIATIONS BETWEEN EXPECTED AND ACTUAL AMOUNTS**

**Revenue**

The various governmental funds of the Authority budgeted \$74 million in revenues for the fiscal year ended June 30, 2020, which was subsequently amended to \$77 million primarily due to an increase in the amounts budgeted for tax and intergovernmental revenues at LBBLD. The Authority's actual revenues were \$78 million, which primarily increased due to conservative budgeting for tax revenues and grants.

**Expenditures**

The various governmental funds of the Authority budgeted \$83 million in expenses for the fiscal year ended June 30, 2020, which was subsequently amended to \$83.5 million primarily due to an increase of \$660 thousand in the amounts budgeted for machinery and equipment at the LBBLD. Actual governmental expenditures were \$11 million less than budgeted primarily due to decreases in amounts expended through capital outlays.

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

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

- Changes in organization processes
- Necessary major maintenance and project expenditures
- Increased maintenance of completed U.S. Army Corps of Engineers projects
- Need for additional personnel and higher operating costs due to the additional responsibilities vested in the Authority
- Transfer of Lake Borgne Levee District assets to St. Bernard Parish and agreed upon payments to St. Bernard Parish from the Lake Borgne Levee District's ad valorem tax receipts

Management of the Authority recently completed a comprehensive 50-year projection for the Authority's flood protection services, assets, and liabilities. Management believes that using a long-term approach to review the Authority's short-term goals will increase its ability to be agile and fulfill the Authority's purpose.

**Contacting the Authority's Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at 6920 Franklin Avenue, New Orleans, Louisiana 70122, or the Lakefront Management Authority at New Orleans Lakefront Airport, Terminal Building, Suite 219, 6001 Stars & Stripes Blvd., New Orleans, Louisiana 70122.

## **BASIC FINANCIAL STATEMENTS**

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**COMBINED STATEMENT OF NET POSITION**  
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>CURRENT ASSETS:</u></b>			
Cash and cash equivalents	\$ 5,912,083	\$ 99,578	\$ 6,011,661
Investments - LAMP	98,950,779	-	98,950,779
Investments	42,499,234	-	42,499,234
Receivables, net	2,773,761	669,165	3,442,926
Internal balances	(7,075,944)	7,075,944	-
Due from other governments	2,282,500	1,262,503	3,545,003
Inventory	278,740	-	278,740
Restricted investments	13,668,151	-	13,668,151
Other assets	<u>1,642,698</u>	<u>7,704</u>	<u>1,650,402</u>
Total current assets	<u>160,932,002</u>	<u>9,114,894</u>	<u>170,046,896</u>
<b><u>NON-CURRENT ASSETS:</u></b>			
Capital assets:			
Land	36,946,736	-	36,946,736
Construction in progress	6,067,425,500	-	6,067,425,500
Other capital assets, net of depreciation	<u>1,006,002,405</u>	<u>79,016</u>	<u>1,006,081,421</u>
Total noncurrent assets	<u>7,110,374,641</u>	<u>79,016</u>	<u>7,110,453,657</u>
Total assets	<u>7,271,306,643</u>	<u>9,193,910</u>	<u>7,280,500,553</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
OPEB deferrals	4,002,351	276,312	4,278,663
Pension deferrals	<u>8,386,475</u>	<u>901,261</u>	<u>9,287,736</u>
Total deferred outflows of resources	<u>12,388,826</u>	<u>1,177,573</u>	<u>13,566,399</u>
<b><u>CURRENT LIABILITIES:</u></b>			
Accounts payable	3,473,611	367,498	3,841,109
Contracts payable	786,008	-	786,008
Deferred revenues	276,012	559,991	836,003
Due to other agencies	15,723,950	55,277	15,779,227
Accrued payroll liabilities	1,054,186	17,199	1,071,385
Other liabilities	<u>233,257</u>	<u>363,656</u>	<u>596,913</u>
Total current liabilities	<u>21,547,024</u>	<u>1,363,621</u>	<u>22,910,645</u>
<b><u>NON-CURRENT LIABILITIES:</u></b>			
Accrued compensated absences	1,370,323	71,125	1,441,448
Post-employment benefit liability	14,738,233	931,488	15,669,721
Net pension liability	<u>38,767,720</u>	<u>4,166,216</u>	<u>42,933,936</u>
Total noncurrent liabilities	<u>54,876,276</u>	<u>5,168,829</u>	<u>60,045,105</u>
Total liabilities	<u>76,423,300</u>	<u>6,532,450</u>	<u>82,955,750</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
OPEB deferrals	3,925,509	464,342	4,389,851
Pension deferrals	<u>184,443</u>	<u>19,822</u>	<u>204,265</u>
Total deferred inflows of resources	<u>4,109,952</u>	<u>484,164</u>	<u>4,594,116</u>
<b><u>NET POSITION:</u></b>			
Net investment in capital assets	7,109,588,633	79,016	7,109,667,649
Restricted for:			
Permanent pump station maintenance	500,000	-	500,000
Unrestricted	<u>93,073,584</u>	<u>3,275,853</u>	<u>96,349,437</u>
Total net position	<u>\$ 7,203,162,217</u>	<u>\$ 3,354,869</u>	<u>\$ 7,206,517,086</u>

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, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
Flood and drainage protection	\$ 66,167,428	\$ 398,615	\$ 1,996,965	\$ (63,771,848)	\$ -	\$ (63,771,848)
Property management	1,737,062	-	4,509	(1,732,553)	-	(1,732,553)
Total governmental activities	67,904,490	398,615	2,001,474	(65,504,401)	-	(65,504,401)
<b>Business-Type Activities</b>						
South Shore Harbor Marina	1,387,079	959,900	-	-	(427,179)	(427,179)
Lakefront Airport	3,333,768	1,970,728	7,935,447	-	6,572,407	6,572,407
Orleans Marina	624,091	1,323,470	-	-	699,379	699,379
New Basin Canal	203,293	1,084,257	13,234	-	894,198	894,198
Non-major funds	423,922	253,839	-	-	(170,083)	(170,083)
Total business-type activities	5,972,153	5,592,194	7,948,681	-	7,568,722	7,568,722
Total functions/programs	\$ 73,876,643	\$ 5,990,809	\$ 9,950,155	(65,504,401)	7,568,722	(57,935,679)
General revenues, special items and transfers:						
Taxes				58,119,417	-	58,119,417
Unrestricted intergovernmental revenues				1,682,372	-	1,682,372
Unrestricted investment earnings				2,617,318	-	2,617,318
Miscellaneous income				3,150,638	527,216	3,677,854
Gain (loss) on disposals of assets				(53,627)	-	(53,627)
Litigation payments				(293,669)	-	(293,669)
Transfers (to)/from other agencies				1,530,037,999	-	1,530,037,999
Internal transfers				7,997,205	(7,997,205)	-
Total general revenues, special items and transfers				1,603,257,653	(7,469,989)	1,595,787,664
Change in net position				1,537,753,252	98,733	1,537,851,985
Net position - beginning of year				5,662,512,464	3,256,136	5,665,768,600
Restatement of net position				2,896,501	-	2,896,501
Net position, as restated - beginning of year				5,665,408,965	3,256,136	5,668,665,101
Net position - end of year				\$ 7,203,162,217	\$ 3,354,869	\$ 7,206,517,086

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, 2020

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
<b><u>CURRENT ASSETS:</u></b>								
Cash and cash equivalents	\$ 1,139,216	\$ 2,366,312	\$ 1,094,613	\$ 663,165	\$ 648,777	\$ -	\$ -	\$ 5,912,083
Investments - LAMP	4,682,648	23,419,354	12,939,847	2,033,374	8,441,438	-	47,434,118	98,950,779
Investments	-	10,380,006	21,069,552	-	-	-	11,049,676	42,499,234
Receivables	15,480	1,348,277	119,209	237,014	4,391	-	1,049,390	2,773,761
Due from other funds	1,154,753	1,567,036	87,528	7,187	15,505,139	303,227	520,943	19,145,813
Due from other governments	80,386	493,695	74,844	1,405,392	39,073	189,110	-	2,282,500
Inventory	-	278,740	-	-	-	-	-	278,740
Restricted investments	-	11,246,704	2,421,447	-	-	-	-	13,668,151
Other assets	899,805	550,965	122,626	65,321	3,981	-	-	1,642,698
<b>Total assets</b>	<b>\$ 7,972,288</b>	<b>\$ 51,651,089</b>	<b>\$ 37,929,666</b>	<b>\$ 4,411,453</b>	<b>\$ 24,642,799</b>	<b>\$ 492,337</b>	<b>\$ 60,054,127</b>	<b>\$ 187,153,759</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES**

<b><u>LIABILITIES:</u></b>								
Accounts payable	\$ 405,520	\$ 632,430	\$ 66,270	\$ 88,211	\$ 886,464	\$ -	\$ 1,394,716	\$ 3,473,611
Contracts payable	-	-	-	375,363	8,663	-	402,848	786,874
Other accrued	243,592	439,281	375,931	71,115	210,233	-	-	1,340,152
Due to other funds	74,591	1,240,301	329,891	297,221	21,706,863	2,506,398	66,492	26,221,757
Due to other agencies	-	-	2,192,000	-	341	30,743	13,500,000	15,723,084
<b>Total liabilities</b>	<b>723,703</b>	<b>2,312,012</b>	<b>2,964,092</b>	<b>831,910</b>	<b>22,812,564</b>	<b>2,537,141</b>	<b>15,364,056</b>	<b>47,545,478</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	<b>-</b>	<b>526,068</b>	<b>-</b>	<b>-</b>	<b>(300)</b>	<b>-</b>	<b>244,450</b>	<b>770,218</b>
<b><u>FUND BALANCES:</u></b>								
Nonspendable:								
Prepaid and other assets	899,805	550,965	122,626	65,321	3,981	-	-	1,642,698
Inventory	-	278,740	-	-	-	-	-	278,740
Restricted for:								
Permanent pump station maintenance	-	500,000	-	-	-	-	-	500,000
Committed to:								
OPEB liability	-	11,246,704	-	-	-	-	-	11,246,704
Long-term maintenance	-	-	-	-	-	-	17,695,876	17,695,876
Unassigned	6,348,780	36,236,600	34,842,948	3,514,222	1,826,554	(2,044,804)	26,749,745	107,474,045
<b>Total fund balances (deficit)</b>	<b>7,248,585</b>	<b>48,813,009</b>	<b>34,965,574</b>	<b>3,579,543</b>	<b>1,830,535</b>	<b>(2,044,804)</b>	<b>44,445,621</b>	<b>138,838,063</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,972,288</b>	<b>\$ 51,651,089</b>	<b>\$ 37,929,666</b>	<b>\$ 4,411,453</b>	<b>\$ 24,642,799</b>	<b>\$ 492,337</b>	<b>\$ 60,054,127</b>	<b>\$ 187,153,759</b>

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINED BALANCE SHEET**  
**TO THE COMBINED STATEMENT OF NET POSITION**  
AS OF JUNE 30, 2020

Fund balances - total governmental funds	\$	138,838,063
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 \$271,996,969		7,110,374,641
Revenues that are not available within 60 days of year-end are reported as deferred inflows of resources in the governmental funds		494,206
Deferred outflows of resources related to pensions and OPEB are not reported in the governmental funds:		
Pensions		8,386,475
OPEB		4,002,351
Pension and OPEB related deferrals are deferred inflows of resources on the statement of net position:		
Pensions		(184,443)
OPEB		(3,925,509)
Liabilities that are not due and payable within 60 days of year-end and, therefore, are not reported in the funds		
Accrued compensated absences		(1,317,614)
Post-employment benefit liability		(14,738,233)
Net pension liability		<u>(38,767,720)</u>
Net position of governmental activities	\$	<u>7,203,162,217</u>

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 BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	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
<b><u>REVENUES:</u></b>								
Taxes	\$ -	\$ 22,502,819	\$ 10,255,259	\$ 4,665,398	\$ 1,853,018	\$ -	\$ 20,165,546	\$ 59,442,040
Intergovernmental	-	1,096,529	422,843	163,000	-	-	-	1,682,372
Royalties, leases, and permits	-	398,615	-	-	-	-	-	398,615
Operating Grants	51,530	264,596	119,699	1,561,140	-	4,509	-	2,001,474
Payments from other funds	9,618,109	-	-	-	-	-	-	9,618,109
Other	72,177	2,619,962	287,726	94,862	75,911	-	-	3,150,638
Interest earnings	61,652	748,871	796,801	33,717	129,100	-	847,177	2,617,318
<b>Total revenues</b>	<b>9,803,468</b>	<b>27,631,392</b>	<b>11,882,328</b>	<b>6,518,117</b>	<b>2,058,029</b>	<b>4,509</b>	<b>21,012,723</b>	<b>78,910,566</b>
<b><u>EXPENDITURES:</u></b>								
Flood and drain protection	9,298,022	22,892,323	8,387,996	4,314,859	-	-	1,685,862	46,579,062
Property management	-	-	-	-	1,659,469	-	-	1,659,469
Capital outlay	31,182	2,564,050	1,526,922	1,914,301	-	-	6,584,227	12,620,682
<b>Total expenditures</b>	<b>9,329,204</b>	<b>25,456,373</b>	<b>9,914,918</b>	<b>6,229,160</b>	<b>1,659,469</b>	<b>-</b>	<b>8,270,089</b>	<b>60,859,213</b>
Excess (deficiency) of revenues over expenditures	474,264	2,175,019	1,967,410	288,957	398,560	4,509	12,742,634	18,051,353
<b><u>OTHER FINANCING SOURCES (USES):</u></b>								
Transfers in/(out)	-	17,741	-	(926,225)	-	-	(12,883,501)	(13,791,985)
Litigation payments	-	1,398	(295,067)	-	-	-	-	(293,669)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>19,139</b>	<b>(295,067)</b>	<b>(926,225)</b>	<b>-</b>	<b>-</b>	<b>(12,883,501)</b>	<b>(14,085,654)</b>
Net change in fund balances	474,264	2,194,158	1,672,343	(637,268)	398,560	4,509	(140,867)	3,965,699
Fund balances (deficit) - beginning of year	6,774,321	46,618,851	33,293,231	4,216,811	1,431,975	(2,049,313)	44,586,488	134,872,364
Fund balances (deficit) - end of year	\$ 7,248,585	\$ 48,813,009	\$ 34,965,574	\$ 3,579,543	\$ 1,830,535	\$ (2,044,804)	\$ 44,445,621	\$ 138,838,063

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, EXPENSES**  
**AND CHANGES IN FUND BALANCE TO THE COMBINED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Change in fund balances - total governmental funds	\$	3,965,699
<p>Amounts reported for governmental activities in the Combined Statement of Activities and Changes in Net Position are different because governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset additions		12,620,672
Depreciation expense		(27,665,023)
Loss on disposal of capital asset		(53,627)
<p>Transfers of capital assets between the Authority and USACE do not affect current financial resources and are not reported as other sources of funds in the governmental funds</p>		
		1,543,847,725
<p>Revenues in the Combined Statement of Activities and Changes in Net Position that do not provide current financial resources are not reported as revenues in the governmental funds</p>		
		(1,322,623)
<p>Transfers of capital assets between proprietary funds and governmental funds do not affect current financial resources and are not reported as other sources of funds in the governmental funds</p>		
		7,997,194
<p>Some items reported in the Combined Statement of Activities and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>		
Compensated absences		(3,235,063)
Post-employment benefit obligation		(479,577)
Pension expense		<u>2,077,875</u>
Change in net position	\$	<u>1,537,753,252</u>

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, 2020**

	Major Funds				Non-Major	Total Proprietary Funds
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Other Proprietary Funds	
<b><u>CURRENT ASSETS:</u></b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 99,578	\$ 99,578
Receivables, net of allowance for uncollectables accounts	178,661	215,092	132,534	69,471	73,407	669,165
Due from other funds	1,835,858	-	7,229,328	10,853,030	483,786	20,402,002
Due from other governments	-	1,259,671	-	2,832	-	1,262,503
Other assets	104	6,655	945	-	-	7,704
<b>Total current assets</b>	<b>2,014,623</b>	<b>1,481,418</b>	<b>7,362,807</b>	<b>10,925,333</b>	<b>656,771</b>	<b>22,440,952</b>
<b><u>NONCURRENT ASSETS:</u></b>						
Other capital assets, net of depreciation	8,507	70,509	-	-	-	79,016
<b>Total noncurrent assets</b>	<b>8,507</b>	<b>70,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,016</b>
<b>Total assets</b>	<b>2,023,130</b>	<b>1,551,927</b>	<b>7,362,807</b>	<b>10,925,333</b>	<b>656,771</b>	<b>22,519,968</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>						
Deferred out of resources - pensions	123,792	560,321	138,862	59,699	18,587	901,261
Deferred out of resources - OPFB	35,293	187,619	36,699	10,438	6,263	276,312
<b>Total deferred outflows of resources</b>	<b>159,085</b>	<b>747,940</b>	<b>175,561</b>	<b>70,137</b>	<b>24,850</b>	<b>1,177,573</b>
<b>Total assets and deferred outflow of resources</b>	<b>2,182,215</b>	<b>2,299,867</b>	<b>7,538,368</b>	<b>10,995,470</b>	<b>681,621</b>	<b>23,697,541</b>
<b><u>CURRENT LIABILITIES:</u></b>						
Accounts payable	-	347,011	20,487	-	-	367,498
Due to other funds	293,809	12,932,249	-	-	100,000	13,326,058
Due to other governments	25,535	11,840	17,902	-	-	55,277
Deferred revenue	345,092	214,899	-	-	-	559,991
Other liabilities	31,443	230,610	46,319	69,038	3,445	380,855
<b>Total current liabilities</b>	<b>695,879</b>	<b>13,736,609</b>	<b>84,708</b>	<b>69,038</b>	<b>103,445</b>	<b>14,689,679</b>
<b><u>NONCURRENT LIABILITIES:</u></b>						
Accrued compensated absences	6,014	59,820	5,291	-	-	71,125
Post-employment benefit liability	131,624	577,118	141,748	50,624	30,374	931,488
Net pension liability	572,246	2,590,170	641,915	275,600	86,285	4,166,216
<b>Total noncurrent liabilities</b>	<b>709,884</b>	<b>3,227,108</b>	<b>788,954</b>	<b>326,224</b>	<b>116,659</b>	<b>5,168,829</b>
<b>Total liabilities</b>	<b>1,405,763</b>	<b>16,963,717</b>	<b>873,662</b>	<b>395,262</b>	<b>220,104</b>	<b>19,858,508</b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>						
OPEB deferrals	65,613	287,690	70,661	25,236	15,142	464,342
Pension deferrals	2,722	12,323	3,055	1,780	(58)	19,822
<b>Total deferred inflows of resources</b>	<b>68,335</b>	<b>300,013</b>	<b>73,716</b>	<b>27,016</b>	<b>15,084</b>	<b>484,164</b>
<b><u>NET POSITION:</u></b>						
Net investment in capital assets	8,507	70,509	-	-	-	79,016
Unrestricted	699,610	(15,034,372)	6,590,990	10,573,192	446,433	3,275,853
<b>Total net position</b>	<b>\$ 708,117</b>	<b>\$ (14,963,863)</b>	<b>\$ 6,590,990</b>	<b>\$ 10,573,192</b>	<b>\$ 446,433</b>	<b>\$ 3,354,869</b>

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 NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR END JUNE 30, 2020**

	Major Funds				Non-Major	Total Proprietary Funds
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Other Proprietary Funds	
<b><u>OPERATING REVENUES:</u></b>						
Charges for services						
Rentals	\$ 959,900	\$ 1,613,151	\$ 1,323,470	\$ 1,084,257	\$ 253,839	\$ 5,234,617
Detail revenue	-	-	-	-	368,188	368,188
Fuel storage fees	-	357,577	-	-	-	357,577
Total charges for services	959,900	1,970,728	1,323,470	1,084,257	622,027	5,960,382
Miscellaneous income	76	144,063	14,253	36	600	159,028
Total operating revenues	959,976	2,114,791	1,337,723	1,084,293	622,627	6,119,410
<b><u>OPERATING EXPENSES:</u></b>						
Personnel services	301,412	1,407,555	390,324	104,023	365,892	2,569,206
Travel	21	356	-	-	-	377
Contractual services	385,489	1,033,471	139,235	14,634	50,192	1,623,021
Materials and supplies	35,767	80,194	24,878	-	4,883	145,722
Professional services	639,381	432,374	42,372	84,636	2,805	1,201,568
Other charges	20,229	7,847	22,738	-	150	50,964
Depreciation	2,127	17,021	4,544	-	-	23,692
Major maintenance	2,653	354,950	-	-	-	357,603
Total operating expenses	1,387,079	3,333,768	624,091	203,293	423,922	5,972,153
Net operating income (loss)	(427,103)	(1,218,977)	713,632	881,000	198,705	147,257
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>						
Grant income	-	7,935,447	-	13,234	-	7,948,681
Transfers to governmental activities	-	(7,541,762)	(455,443)	-	-	(7,997,205)
Total nonoperating revenues	-	393,685	(455,443)	13,234	-	(48,524)
Change in net position	(427,103)	(825,292)	258,189	894,234	198,705	98,733
Total net position - beginning of year	1,135,220	(14,138,571)	6,332,801	9,678,958	247,728	3,256,136
Total net position - end of year	\$ 708,117	\$ (14,963,863)	\$ 6,590,990	\$ 10,573,192	\$ 446,433	\$ 3,354,869

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, 2020**

	Major Funds				Non-Major	Total
	South Shore				Other Proprietary	Proprietary
	Harbor Marina	Lakefront Airport	Orleans Marina	New Basin Canal	Funds	Funds
<b><u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u></b>						
Receipts from customers	\$ 850,430	\$ 1,844,012	\$ 1,229,253	\$ 1,016,444	\$ 548,695	\$ 5,488,834
Other operating cash receipts	76	144,063	14,253	36	600	159,028
Payments to suppliers	(546,321)	(202,807)	(446,142)	(926,187)	(72,619)	(2,194,076)
Payments to employees	(304,185)	(1,333,006)	(341,921)	(103,527)	(377,098)	(2,459,737)
Net cash from (used in) operating activities	-	452,262	455,443	(13,234)	99,578	994,049
<b><u>CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>						
Proceeds from federal and state grants	-	7,089,500	-	13,234	-	7,102,734
Purchase of capital assets	-	(7,541,762)	(455,443)	-	-	(7,997,205)
Net cash from (used in) capital and related financing activities	-	(452,262)	(455,443)	13,234	-	(894,471)
Net change in cash	-	-	-	-	99,578	99,578
Cash beginning of year	-	-	-	-	-	-
Cash - end of year	\$ -	\$ -	\$ -	\$ -	\$ 99,578	\$ 99,578
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FROM (USED IN) OPERATING ACTIVITIES:</u></b>						
Operating income (loss)	\$ (427,103)	\$ (825,292)	\$ 258,189	\$ 894,234	\$ 198,705	\$ 98,733
Adjustment to reconcile operating income (loss) to net cash used in operating activities:						
Depreciation expense	2,127	17,021	4,544	-	-	23,692
Cash from (used in) other areas	-	452,262	455,443	(13,234)	-	894,471
Change in assets and liabilities:						
Receivables, net	(109,470)	(967,590)	(94,217)	(67,813)	(73,332)	(1,312,422)
Due from other funds	5,033,866	5,392,802	208,170	(786,549)	24,981	9,873,270
Prepaid expenses and other assets	(40)	(131)	(85)	-	-	(256)
Accounts and other payables	-	344,851	20,487	-	40	365,378
Due to other funds	(4,496,607)	(4,031,137)	(445,491)	(40,368)	(39,610)	(9,053,213)
Post-employment benefit liability	(58,333)	(241,156)	(48,208)	(37,048)	(13,462)	(398,207)
Net pension liability	(38,006)	(50,761)	19,144	(24,884)	(12,443)	(106,950)
Other liabilities	23,438	145,113	20,331	34,169	(992)	222,059
Change in deferred outflows of resources	26,725	28,878	8,494	13,209	5,561	82,867
Change in deferred inflows of resources	43,403	187,402	48,642	15,050	10,130	304,627
Net cash from (used in) operating activities	\$ -	\$ 452,262	\$ 455,443	\$ (13,234)	\$ 99,578	\$ 994,049

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**(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 RS 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 RS 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 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 District 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 155 full-time employees, including 35 police officers.

- *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 60 full-time employees, including 25 police officers.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(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 25 full-time employees. The LBBLD’s operations are funded primarily through ad valorem taxes, state revenue sharing and interest earnings.

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 17 members. The members shall be composed of the following members who shall be subject to Senate confirmation, provided that no elected official shall be appointed to serve as a member:

- One member appointed by the Southeast Louisiana Flood Protection Authority East.
- 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.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(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.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net position is displayed in three components:

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

*Basis of Accounting*

In April 1984, the Financial Accounting Foundation established the 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.

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

*Fund Financial Statements*

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

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

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

*Fund Balance*

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

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Authority to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- *Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Authority. Those committed amounts cannot be used for any other purpose unless the Authority removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- *Assigned* – This component consists of amounts that are constrained by the Authority’s intent to be used for specific purposes, but are neither restricted nor committed. The authorization for assigning fund balance is expressed by the Authority or the designee as established in the Authority’s Fund Balance Policy.
- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources in the following order: committed resources first, then assigned, and then unassigned as they are needed.

*Net Position*

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

*Net Position (Continued)*

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

*Major Funds*

The 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 EJJ.D General Fund is the primary operating fund of the EJJ.D 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, Orleans Marina, Lakefront Airport, Lake Vista, and New Basin Canal 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.

The OLD Police and the EJJ.D Police Detail Funds are proprietary funds used for financial resources received and used for police details. These funds are controlled and managed by the Authority.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

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

**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 and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purpose of the 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, 2020.

**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. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

The Authority also maintains investment accounts as authorized by LA RS 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 *Investment*.

Receivables

All receivables are shown net of allowance for doubtful accounts.

Interfund Receivables or Payables

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

Inventory

Supplies and fuel are charged to inventory and expensed when used.

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 estimated market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Authority and its related districts have implemented a \$5,000 minimum capitalization threshold. The Authority's capitalization threshold for infrastructure assets is \$2,000,000 to be consistent with the recommendation by the Office of Statewide Reporting and Accounting Policy.

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

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees earn and accumulate annual and sick leave of various rates, depending on the years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or the employee's estate are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. In addition, it is the Authority's policy to pay any accumulated compensatory leave at the employee's hourly rate of pay at the time of termination.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has 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 – deferred revenue, OPEB-related deferrals and pension-related deferrals.

Pensions

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

Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Office of Group Benefits 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.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

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

**Combined Balance Sheet**

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

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.

**Budgetary Accounting**

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

All original budgets for the 2020 fiscal year were adopted on March 21, 2019. The budget for the LBBLD was amended on September 17, 2020. The Authority, OLD, EJLD, OLD SLIP and LMA did not amend their budgets for the year ended June 30, 2020. 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.

**Date of Management's Review**

Subsequent events have been evaluated through October 6, 2020, the date the financial statements were available to be issued.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

(2) **CASH AND INVESTMENTS**

**Cash**

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

Aggregate cash and cash equivalents by entity deposited with financial institutions as of June 30, 2020 were as follows:

Authority		\$	1,139,216
OLD			2,425,247
EJLD			1,135,256
LBBLD			663,165
LMA			<u>648,777</u>
 Total			 <u>\$ 6,011,661</u>

Amounts deposited in banks and investment accounts were as follows:

	<u>Cash</u>	<u>Money Market Funds</u>	<u>U.S. Government Obligations &amp; Securities</u>	<u>LAMP</u>	<u>Total</u>
Balance per agency books	\$ 6,011,661	\$ 13,668,151	\$ 42,499,234	\$ 98,950,779	\$ 161,129,825
Deposits in bank and investment accounts per banks	\$ 6,949,672	\$ 13,668,151	\$ 42,499,234	\$ 98,950,779	\$ 162,067,836

The total bank balances will not necessarily equal the deposits in bank account 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.

**Investments**

At June 30, 2020, the Authority had an investment of \$98,950,779 with the Louisiana Asset Management Pool (LAMP), which is included in investments. LAMP is stated at amortized cost and is therefore not included in the fair value hierarchy below.

At June 30, 2020, the EJLD and OLD had investments of \$13,668,151 in money market accounts which are broken out separately with the restricted investments. They are stated at amortized cost, and therefore, are not included in the fair value hierarchy below.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

(2) **CASH AND INVESTMENTS**

**Investments (Continued)**

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, 2020:

- U.S. government obligations are valued using prices quoted in active markets for those securities (Level 1 inputs)
- U.S. government sponsored enterprise securities are valued using prices quoted in active markets for those securities or quoted prices for identical securities in markets that are not active.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. government obligations	\$ 42,499,234	\$ 42,499,234	\$ -	\$ -
	<u>\$ 42,499,234</u>	<u>\$ 42,499,234</u>	<u>\$ -</u>	<u>\$ -</u>

(3) **CAPITAL ASSETS**

The historical costs of infrastructure assets as of June 30, 2020, were as follows:

	<u>Governmental</u>
Bridges and roadways	\$ 79,543,594
Parks and recreation	3,403,541
Subtotal other infrastructure assets	<u>82,947,135</u>
Flood protection systems	<u>936,877,373</u>
Total – infrastructure assets	<u>\$ 1,019,824,508</u>

Accumulated depreciation on infrastructure assets amounted to \$139,685,747 for Governmental assets at year-end. Certain incomplete infrastructure projects remain in construction-in-progress at June 30, 2020.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(3) CAPITAL ASSETS (CONTINUED)**

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2020 is as follows:

	<u>Restated 6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2020</u>
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 36,946,736	\$ -	\$ -	\$ 36,946,736
Construction-in-progress	<u>4,515,161,497</u>	<u>1,560,984,760</u>	<u>(8,720,757)</u>	<u>6,067,425,500</u>
Total capital assets not being depreciated	<u>4,552,108,233</u>	<u>1,560,984,760</u>	<u>(8,720,757)</u>	<u>6,104,372,236</u>
<b>Capital assets being depreciated:</b>				
Buildings	82,379,169	52,049	-	82,431,218
Improvements other than buildings	143,502,267	8,840,936	(30)	152,343,173
Equipment	19,474,648	3,308,603	(748,671)	22,034,580
Infrastructure	<u>1,019,824,478</u>	<u>30</u>	<u>-</u>	<u>1,019,824,508</u>
Total capital assets being depreciated	<u>1,265,180,562</u>	<u>12,201,618</u>	<u>(748,701)</u>	<u>1,276,633,479</u>
<b>Less accumulated depreciation for:</b>				
Buildings	26,398,956	1,918,639	-	28,317,595
Improvements other than buildings	85,377,568	2,755,350	-	88,132,918
Equipment	13,464,466	1,725,392	(695,044)	14,494,814
Infrastructure	<u>118,420,490</u>	<u>21,265,257</u>	<u>-</u>	<u>139,685,747</u>
Total accumulated depreciation	<u>243,661,480</u>	<u>27,664,638</u>	<u>(695,044)</u>	<u>270,631,074</u>
Total capital assets being depreciated, net	<u>1,021,519,082</u>	<u>(15,463,020)</u>	<u>(53,657)</u>	<u>1,006,002,405</u>
Governmental activities capital assets, net	<u>\$ 5,573,627,315</u>	<u>\$1,545,521,740</u>	<u>\$ (8,774,414)</u>	<u>\$ 7,110,374,641</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(3) CAPITAL ASSETS (CONTINUED)**

A summary of changes in proprietary fixed assets for the year ended June 30, 2020 is as follows:

	<u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2020</u>
<b>Capital assets being depreciated:</b>				
Equipment	1,444,911	-	-	1,444,911
Total capital assets being depreciated	<u>1,444,911</u>	<u>-</u>	<u>-</u>	<u>1,444,911</u>
<b>Less accumulated depreciation for:</b>				
Equipment	1,342,203	23,692	-	1,365,895
Total accumulated depreciation	<u>1,342,203</u>	<u>23,692</u>	<u>-</u>	<u>1,365,895</u>
Total capital assets being depreciated, net	<u>102,708</u>	<u>(23,692)</u>	<u>-</u>	<u>79,016</u>
Business-type activities capital assets, net	<u>\$ 102,708</u>	<u>\$ (23,692)</u>	<u>\$ -</u>	<u>\$ 79,016</u>

**(4) INVENTORY**

The OLD is the only district that maintains a perpetual inventory system for fuel and supplies. The inventory is recorded as an expense at the time the individual items are withdrawn from stock. The inventory is valued at average cost. The year-end balance consisted of supplies and fuel that could be needed at any time.

**(5) RESTRICTED ASSETS**

Restricted assets at June 30, 2020, as shown on Statement A, amounted to \$13,668,151. Restricted assets consisted of \$11,246,704 in OLD General Fund dedicated to OPEB liabilities. Additionally, \$2,421,447 held in escrow is payable to the Army Corps Engineers for East Jefferson Levee District's share of federal levee projects.

**(6) COMPENSATED ABSENCES**

The cost of leave privileges, computed in accordance with GASB Codification Section C60 *Compensated Absences*, is recognized as an expense when leave is earned. The combined statement of net position present the cost of accumulated annual and compensatory leave as a liability. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay this amount when employees separate from service. The combined value of accrued annual leave and compensatory leave at June 30, 2020 was \$1,441,448.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(7) RETIREMENT BENEFITS

Plan Description

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

Benefits Provided

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

Retirement

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

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

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(7) RETIREMENT BENEFITS (CONTINUED)**

**Retirement (Continued)**

Under act 992, average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

**Deferred Retirement Benefits**

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

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(7) RETIREMENT BENEFITS (CONTINUED)**

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

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

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.

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

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

**Contributions**

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with employer portion of the contribution.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(7) RETIREMENT BENEFITS (CONTINUED)**

The employer contribution rates in effect during the year ended June 30, 2020 for the various plans follow:

Appellate Law Clerks	40.70%
Appellate Law Clerks hired on or after 7/01/06	40.70%
Alcohol Tobacco Control	33.90%
Bridge Police	39.80%
Bridge Police hired on or after 7/01/06	39.80%
Corrections Primary	36.90%
Corrections Secondary	40.70%
Harbor Police	7.70%
Hazardous Duty	41.70%
Judges hired before 1/01/11	42.40%
Judges hired after 12/31/10	42.00%
Judges hired on or after 7/01/15	42.00%
Legislators	40.40%
Optional Retirement Plan (ORP) before 7/01/06	36.01%
Optional Retirement Plan (ORP) on or after 7/01/06	36.01%
Peace Officers	39.40%
Regular Employees hired before 7/01/06	40.70%
Regular Employees hired on or after 7/01/06	40.70%
Regular Employees hired on or after 1/01/11	40.70%
Regular Employees hired on or after 7/01/15	40.70%
Special Legislative Employees	42.40%
Wildlife Agents	49.70%

The Authority's contractually required composite contribution rate for the year ended June 30, 2020 was 40.70% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Authority were \$5,385,369 for the year ended June 30, 2020.

**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.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

(7) **RETIREMENT BENEFITS (CONTINUED)**

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

At June 30, 2020, the Authority reported a liability of \$42,933,936 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2019, the Authority's proportion was 0.592608%, which was a decrease of .002561% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Authority recognized pension expense of \$5,746,791 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$1,649,261.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 263,628	\$ 89,214
Change in assumptions	367,902	-
Net difference between projected and actual earnings on pension plan investments	1,483,310	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,787,527	115,051
Employer contributions subsequent to the measurement date	<u>5,385,369</u>	<u>-</u>
Total	<u>\$ 9,287,736</u>	<u>\$ 204,265</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

(7) **RETIREMENT BENEFITS (CONTINUED)**

Deferred outflows of resources of \$5,385,369 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ending June 30,:

<u>Year ending June 30:</u>	
2021	\$ 3,203,221
2022	(469,210)
2023	408,089
2024	<u>556,002</u>
Total	<u>\$ 3,698,102</u>

***Actuarial Assumptions***

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

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

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
 NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(7) RETIREMENT BENEFITS (CONTINUED)

*Actuarial Assumptions (Continued)*

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.24%
Domestic equity	23%	4.83%
International equity	32%	5.83%
Domestic fixed income	6%	2.79%
International fixed income	10%	4.49%
Alternative investments	22%	8.32%
Risk Parity	7%	5.06%
Total	100%	5.40%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution 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.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(7) RETIREMENT BENEFITS (CONTINUED)**

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

The following presents the Authority’s proportionate share of the Net Pension Liability using the discount rate of 7.60%, 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 (6.60%) or one percentage-point higher (8.60%) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Authority’s proportionate share of the net pension liability	<u>\$ 54,188,102</u>	<u>\$ 42,933,936</u>	<u>\$ 33,427,942</u>

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

**(8) OTHER POST-EMPLOYMENT BENEFITS**

The Office of Group Benefits (OGB) administers the State of Louisiana Post Retirement Benefit Plan - a single- employer defined benefit other post-employment benefit plan. The plan provides medical, prescription drug and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they retire under one of the state sponsored retirement systems (LASERS, LSPRS, TRSL, or LSERS). Benefit provisions are established under LRS 42:821 for life insurance benefits and LRS 42:851 for health insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plans are established or may be amended under the authority of Louisiana RS 42:802.

A summary of all members participating in the plan at June 30, 2020 is as follows:

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

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(8) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

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

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

**Funding Policy**

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement no. 75. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. Effective, July 1, 2008, an OPEB trust fund was statutorily established; however, no plan assets had been accumulated as of June 30, 2020.

**Total OPEB Liability**

At June 30, 2020, the Authority reported a liability of \$15,669,721 for its proportionate share of the total collective OPEB liability. The net OPEB liability was measured as of July 01, 2019 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, 2019 was based on a projection of the Authority's total OPEB liability relative to the projected total OPEB liability of all participating employers, actuarially determined. At July 01, 2019, the Authority's proportion was .202914%, an increase of .006781% from its proportion at July 01, 2018.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(8) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

For the year ended June 30, 2020 the Authority recognized OPEB benefit of \$814,741. At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 189,484	\$ 53,927
Change in assumptions	-	2,525,984
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,959,963	1,809,940
Employer contributions subsequent to the measurement date	<u>1,129,216</u>	<u>-</u>
Total	<u>\$ 4,278,663</u>	<u>\$ 4,389,851</u>

The \$1,469,667 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, 2021.

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:

<u>Year ending June 30:</u>	
2020	\$ (568,085)
2021	(405,831)
2022	(197,258)
2023	<u>(69,230)</u>
Total	<u>\$ (1,240,404)</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(8) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial assumptions and other inputs**

The total OPEB liability in the July 01, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.98%</u>	<u>2.98%</u>	<u>3.98%</u>
Authority's proportionate share of the collective total OPEB liability	<u>\$ 18,680,744</u>	<u>\$ 15,669,722</u>	<u>\$ 13,328,186</u>

**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
	<u>13.447314%</u>	<u>15.669722%</u>	<u>18.576306%</u>
Authority's proportionate share of the collective total OPEB liability	<u>\$ 13,447,314</u>	<u>\$ 15,669,722</u>	<u>\$ 18,576,306</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

(9) **LEASES**

**Operating Leases**

The IMA manages and leases boat slips, boathouses, and building space to certain parties under operating leases. At June 30, 2020, the total cost of the land, buildings and improvements leased to others is \$183 million. At June 30, 2020 these assets had \$95 million of related accumulated depreciation. Current year rents amount to \$5.5 million. The amount derived from contingent rent increases was not significant. The amounts reported represent rents due on non-cancelable leases currently in effect. Future minimum rental payments to be received under these operating leases are as follows for the years ending June 30:

2021	\$ 4,283,423
2022	1,848,106
2023	1,562,591
2024	818,936
2025	1,081,798
2026-2030	3,508,430
2021-2035	3,236,650
2036-2040	1,070,395
Remainder of term	<u>214,079</u>
Total	<u>\$ 17,624,408</u>

(10) **LONG-TERM OBLIGATIONS**

**Changes in Long-Term Obligations**

The following schedules summarize the changes in long-term debt during the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities:</u></b>					
Compensated absences	\$ 1,203,142	\$ 167,181	\$ -	\$ 1,370,323	\$ 52,709
Net pension liability	36,316,927	2,450,793	-	38,767,720	-
Net OPEB liability	<u>15,412,873</u>	<u>-</u>	<u>(674,640)</u>	<u>14,738,233</u>	<u>-</u>
Total governmental activities	<u>52,932,942</u>	<u>2,617,974</u>	<u>(674,640)</u>	<u>54,876,276</u>	<u>52,709</u>
<b><u>Business-Type Activities:</u></b>					
Compensated absences	74,430	-	(3,305)	71,125	-
Net pension liabilities	4,273,166	-	(106,950)	4,166,216	-
Net OPEB liability	<u>1,329,695</u>	<u>-</u>	<u>(398,207)</u>	<u>931,488</u>	<u>-</u>
Total business-type activities	<u>5,677,291</u>	<u>-</u>	<u>(508,462)</u>	<u>5,168,829</u>	<u>-</u>
Total governmental and business-type activities	<u>\$ 58,610,233</u>	<u>\$ 2,617,974</u>	<u>\$ (1,183,102)</u>	<u>\$ 60,045,105</u>	<u>\$ 52,709</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**(11) 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 financial statements taken as a whole.

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

**Non-Federal Sponsorship of USACE Projects**

The Authority has served as the local sponsor for many US Army Corps of Engineers (USACE) projects over the past decades. The USACE and the Authority are currently determining the full extent of the Authority’s financial share of many of these projects, generally 25-35% of engineering and construction costs. Management has determined that \$13,500,000 is likely due from OLD to the USACE and that \$2,192,000 is likely due from EJLD to the USACE.

**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.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(12) DISAGGREGATION OF RECEIVABLE BALANCES**

The following table displays the June 30, 2020 balances in receivables by each District's governmental activities:

	<u>Authority</u>	<u>OLD</u>	<u>EJLD</u>	<u>LBBLD</u>	<u>LMA</u>	<u>LMA GIF</u>	<u>OLD SLIP</u>	<u>Total Government</u>
Ad valorem taxes	\$ -	\$ 918,771	\$ 36,894	\$ 2,004	\$ -	\$ -	\$ 1,049,390	\$ 2,007,059
Customers and other, net	<u>15,480</u>	<u>429,506</u>	<u>82,315</u>	<u>235,010</u>	<u>4,391</u>	<u>-</u>	<u>-</u>	<u>766,702</u>
Total governmental activities	<u>\$ 15,480</u>	<u>\$ 1,348,277</u>	<u>\$ 119,209</u>	<u>\$ 237,014</u>	<u>\$ 4,391</u>	<u>\$ -</u>	<u>\$ 1,049,390</u>	<u>\$ 2,773,761</u>

The following table displays the June 30, 2020 balances in receivables by each District's business activities:

	<u>Southshore Harbor</u>	<u>Lakefront Airport</u>	<u>Orleans Marina</u>	<u>New Basin Canal</u>	<u>NonMajor</u>	<u>Total Business-Type</u>
Customers and other, net	\$ 178,661	\$ 215,092	\$ 132,534	\$ 69,471	\$ 73,407	\$ 669,165
Total business-type	<u>\$ 178,661</u>	<u>\$ 215,092</u>	<u>\$ 132,534</u>	<u>\$ 69,471</u>	<u>\$ 73,407</u>	<u>\$ 669,165</u>

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 were levied by each district in November and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

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.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(12) DISAGGREGATION OF RECEIVABLE BALANCES (CONTINUED)**

**Ad Valorem Taxes (Continued)**

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 did approve the special levee improvement and maintenance tax.

The millages are currently as shown in the table below:

	Authorized	Levied 2020
Parish-wide taxes:		
Constitutional	5.46	4.97
Maintenance	0.75	.68
Levee improvement	6.07	5.53
	12.28	11.18

East Jefferson Levee District – The Louisiana Constitution provides that 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 five mills. If the EJLD needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five 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, 2020:

	Authorized	Levied 2020
Parish-wide taxes:		
Constitutional	4.01	4.01
	4.01	4.01

Lake Borgne Basin Levee District – The Louisiana Constitution provides that 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 five mills. If the LBBLD needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five 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, 2020:

	Authorized	Levied 2020	Effective Years
Parish-wide taxes:			
Constitutional	3.91	3.91	
Maintenance	3.06	3.06	2015 - 2044
Levee improvement	4.36	4.36	2011 - 2020
	11.33	11.33	

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(13) DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2020 were as follows:

	<u>Authority</u>	<u>OLD</u>	<u>EJLD</u>	<u>LBBLD</u>	<u>TMA</u>	<u>TMA GIF</u>	<u>OLD SLIP</u>	<u>Total Government</u>
Vendors and employees	\$ 405,520	\$ 632,430	\$ 66,270	\$ 88,211	\$ 886,464	\$ -	\$ 1,394,716	\$ 3,473,611
Contractor payables	-	-	-	375,363	8,663	(866)	402,848	786,008
<b>Total governmental activities</b>	<b>\$ 405,520</b>	<b>\$ 632,430</b>	<b>\$ 66,270</b>	<b>\$ 463,574</b>	<b>\$ 895,127</b>	<b>\$ (866)</b>	<b>\$ 1,797,564</b>	<b>\$ 4,259,619</b>

The following table displays the June 30, 2020 balances in payables by each business activity:

	<u>Southshore Harbor</u>	<u>Lakefront Airport</u>	<u>Orleans Marina</u>	<u>New Basin Canal</u>	<u>NonMajor</u>	<u>Total Business-Type</u>
Vendors and employees	\$ -	\$ 347,011	\$ 20,487	\$ -	\$ -	\$ 367,498
<b>Total business-type</b>	<b>\$ -</b>	<b>\$ 347,011</b>	<b>\$ 20,487</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 367,498</b>

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, 2020, the Authority had a balance of \$3,545,003 due from other governments, \$771,802 of which was due from the State of Louisiana. The balance due to other agencies was \$15,723,950 as of June 30, 2020, of which \$15,692,000 was due to the USACE.

**(14) INTERFUND BALANCES AND TRANSFERS**

Due to and due from accounts 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, 2020 is as follows:

<b>Governmental Funds</b>	<u>Transfers In</u>	<u>Transfers Out</u>
Non-Flood	\$ -	\$ 17,741
OLD SLIP	-	-
OLD	8,014,946	-
<b>Total governmental funds</b>	<b>8,014,946</b>	<b>17,741</b>
<b>Proprietary Funds</b>		
LFA	-	7,541,762
OM	-	455,443
<b>Total proprietary funds</b>	<b>-</b>	<b>7,997,205</b>
<b>Total</b>	<b>\$ 8,014,946</b>	<b>\$ 8,014,946</b>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(14) INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

Transfers between funds during the year ended June 30, 2020 are as follows:

<b>Governmental Funds</b>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Authority	\$ 1,154,753	\$ 74,591
OLD	271,593	1,240,301
EJLD	87,528	329,891
LBBLD	7,187	297,221
LMA OLD Real Estate	15,438,647	20,108,193
LMA General Improvement	-	2,506,398
OLD SLIP	<u>520,943</u>	<u>-</u>
Total Governmental Funds	<u>17,480,651</u>	<u>24,556,595</u>
<b>Proprietary Funds</b>		
SSH	1,835,858	293,809
LFA	-	12,932,249
OM	7,229,328	-
NBC	10,853,030	-
Nonmajor	<u>483,786</u>	<u>100,000</u>
Total Proprietary Funds	<u>20,402,002</u>	<u>13,326,058</u>
Total	<u>\$ 37,882,653</u>	<u>\$ 37,882,653</u>

**(15) TAX ABATEMENT**

**East Jefferson**

As of December 31, 2019, 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). Details of each program follow.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(15) TAX ABATEMENT (CONTINUED)

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 LRS 34:2021 et seq, as well as LRS 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 7 active PILOT programs in the Parish. Payments received or due at June 30, 2020 under these PILOT agreements amounted to \$1,402,771.

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 LRS 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.

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.

There were 2 new abatement contract awarded in 2019 and at year end, there were 19 active RTA abatement contracts in the Parish.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(15) TAX ABATEMENT (CONTINUED)**

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. There was 1 new ITEP contracts awarded in 2019 and at year end, there are 88 active ITEP abatements in the Parish.

The amount of tax abatements granted during 2019 under each program is as follows:

<u>Source/Tax Abatement Program</u>	<u>Type of Tax</u>	<u>Parish's Share of Taxes Abated</u>	<u>East Jefferson Levee District's Portion</u>
PILOT Program	Ad Valorem	\$ 854,538	\$ 8,841
RTA Program	Ad Valorem	\$ 452,805	\$ 4,685
ITEP Program	Ad Valorem	\$ 6,277,852	\$ 64,950

**Lake Borgne Basin**

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 five entities as of June 30, 2020:

Five oil and gas companies, through an agreement negotiated with the Industrial Tax Exemption program has property assessed at \$87,385,685 with exempt taxes of \$3,643,619. Lake Borgne Basin Levee District's portion of the amount of taxes abated was approximately \$200,000 as of June 30, 2020.

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.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
JUNE 30, 2020

**(15) TAX ABATEMENT (CONTINUED)**

**Orleans Parish**

The City of New Orleans (the City) negotiates property tax abatement agreements on behalf of the city and its component units. Each agreement was negotiated for a variety of economic development purposes, including business relocation, retention, and expansion. The District, through the City, has tax abatement agreements with seventeen commercial entities participating in the Restoration Tax Abatement (RTA) program as of June 30, 2020. The RTA projects have property assessed at \$11,457,691 with exempt taxes attributable to the District of approximately \$750,000. The City has not made any commitments as part of the agreements other than to reduce taxes.

**(16) SUBSEQUENT EVENTS**

On July 1, 2019, the Authority agreed to transfer the internal drainage ditches and pump stations located in St. Bernard Parish to the parish government. As a part of the transfer agreement, the Authority was obligated to pay to St. Bernard Parish a \$3 million one-time payment and two \$1.9 million annual payments due January 1, 2020 and January 1, 2021. St. Bernard Parish did not abide by the terms of the agreement, and the Authority took litigative action against the parish government, which was put on hold pending a vote on property taxes for drainage. On August 15, 2020, the residents of St. Bernard Parish voted against the additional property tax. The LBJLD's 3.43-mill drainage tax is set to expire in 2020. Litigation continues regarding this matter.

**(17) RESTATEMENT OF NET POSITION**

The Authority adjusted its fixed assets for governmental activities for the year ended June 30, 2019 through prior period adjustments. The Authority determined that certain items expensed in prior years were capitalizable as a part of on-going construction in progress. This restatement did not have an effect on beginning fund balance. The following illustrates the restatement of beginning net position for governmental activities:

Net position at June 30, 2019	\$ 5,662,514,004
Previously expensed construction in progress	<u>2,896,501</u>
Net Position at June 30, 2019, as restated	<u>\$ 5,665,410,505</u>

**(18) TRANSFER OF ASSETS FROM USACE**

During the year ended June 30, 2020, the United States Army Corps of Engineers completed additional construction on the Hurricane and Storm Damage Risk Reduction System (HSDRRS). As completed, control of parts of this system is being transferred to the Authority for operation and maintenance. During the year ended June 30, 2020, \$1.5 billion HSDRRS assets were transferred to the Authority. The total amount of HSDRRS assets transferred to the Authority to date is \$6.8 billion. These amounts are included in construction in progress until the construction is completed.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

(19) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 83, “Certain Asset Retirement Obligations.” The objective of this Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement establishes criteria for determining the timing and the pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, and requires (1) that recognition occur when the liability is both incurred and reasonably estimable; (2) the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred; (3) the current value of a government’s AROs to be adjusted for the effects of general inflation or deflation at least annually; (4) a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays; and (5) disclosure of information concerning the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Statement did not have a significant impact on the Authority upon implementation.

The GASB has issued Statement No. 84, “Fiduciary Activities.” The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 87, “Leases.” The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Authority plans to adopt this Statement as applicable by the effective date.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**(19) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

The GASB has issued Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.” The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Statement did not have a significant impact on the Authority upon implementation.

The GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.” The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 90, “Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61.” The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, as extended by GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The Authority plans to adopt this Statement as applicable by the effective date.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Tax revenue	\$ 56,421,000	\$ 57,386,400	\$ 59,442,040	\$ 2,055,640
Intergovernmental revenues	1,969,000	3,518,100	1,682,372	(1,835,728)
Mineral revenue	1,036,100	1,036,100	398,615	(637,485)
Operating grants	-	-	2,001,474	2,001,474
Cost sharing allocations from affiliates	8,979,700	8,979,700	9,618,109	638,409
Miscellaneous income	3,142,900	3,233,500	3,150,638	(82,862)
Interest income	2,909,500	2,909,500	2,617,318	(292,182)
	<u>74,458,200</u>	<u>77,063,300</u>	<u>78,910,566</u>	<u>1,847,266</u>
<b><u>EXPENDITURES:</u></b>				
Personnel services	25,899,900	25,899,900	23,592,640	2,307,260
Travel and training	236,700	236,700	93,625	143,075
Professional services	1,553,721	1,624,821	4,340,401	(2,715,580)
Contractual services	33,716,189	33,716,189	16,763,712	16,952,477
Materials and supplies	2,907,479	2,907,479	3,117,460	(209,981)
Cost sharing allocations to affiliates	9,638,300	9,638,300	9,618,109	20,191
Other charges	1,514,300	1,514,300	2,071,197	(556,897)
Machinery and equipment	7,364,000	8,031,600	1,262,068	6,769,532
	<u>82,830,589</u>	<u>83,569,289</u>	<u>60,859,212</u>	<u>22,710,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,372,389)</u>	<u>(6,505,989)</u>	<u>18,051,354</u>	<u>(20,862,811)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Net transfers	1,796,800	5,396,800	(291,985)	(5,688,785)
Litigation payments	(25,000)	(25,000)	(293,669)	(268,669)
	<u>1,771,800</u>	<u>5,371,800</u>	<u>(585,654)</u>	<u>(5,957,454)</u>
Net change in fund balance	(6,600,589)	(1,134,189)	17,465,700	
Fund balance, beginning of year	<u>134,872,364</u>	<u>134,872,364</u>	<u>134,872,364</u>	
Fund balance, end of year	<u>\$ 128,271,775</u>	<u>\$ 133,738,175</u>	<u>\$ 152,338,064</u>	

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2020\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM</u></b>						
Authority's Proportion of the Net Pension Liability	0.59261%	0.59517%	0.52523%	0.51519%	0.50896%	0.50639%
Authority's Proportionate Share of the Net Pension Liability	\$ 42,933,936	\$ 40,590,092	\$ 36,970,047	\$ 40,455,876	\$ 34,616,895	\$ 31,663,892
Authority's Covered Payroll	\$ 11,875,698	\$ 10,370,537	\$ 9,590,382	\$ 8,998,164	\$ 8,638,094	\$ 8,934,255
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	361.53%	391.40%	385.49%	449.60%	400.75%	354.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.9%	62.5%	62.5%	57.7%	62.7%	65.0%

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

*\*The amounts presented have a measurement date of June 30, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.*

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
FOR THE YEAR ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM</u></b>						
Contractually Required Contribution	\$ 5,385,369	\$ 4,500,890	\$ 3,932,736	\$ 3,434,588	\$ 3,353,153	\$ 3,285,657
Contributions in Relation to the Contractually Required Contribution	<u>(5,385,369)</u>	<u>(4,500,890)</u>	<u>(3,932,736)</u>	<u>(3,434,588)</u>	<u>(3,353,153)</u>	<u>(3,285,657)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>					
Authority's Covered-Employee Payroll	\$ 13,231,864	\$ 11,875,698	\$ 10,370,537	\$ 9,590,382	\$ 8,998,164	\$ 8,638,094
Contributions as a Percentage of Covered-Employee Payroll	40.70%	37.90%	37.92%	35.81%	37.26%	38.04%

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, \***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>OFFICE OF GROUP BENEFITS</u></b>				
Authority's Proportion of the Net OPEB Liability	0.20291%	0.19613%	0.24770%	0.24770%
Authority's Proportionate Share of the Net OPEB Liability	\$ 15,669,722	\$ 16,742,568	\$ 16,634,063	\$ 17,365,578
Authority's Covered Payroll	\$ 11,135,266	\$ 11,875,698	\$ 10,370,537	\$ 9,590,382
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	140.72%	140.98%	160.40%	181.07%

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

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
JUNE 30, 2020

(1) **BUDGETARY COMPARISON SCHEDULE**

The accrual of \$13,500,000 owed to the Orleans Levee District to the United States Army Corps of Engineers in connection with pre Hurricane Katrina projects is reported on the Combined Statement of Revenues, Expenses, and Changes in Fund Balances, but it is excluded from actual amounts on the budgetary basis since it was not operating revenues or expenditures.

(2) **PENSION PLAN SCHEDULES**

**Change of Benefit Terms**

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

**Changes of Assumptions**

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%.

There were no changes in assumptions during any other years presented.

(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 not changes in benefit terms for the valuation dates presented.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
JUNE 30, 2020

**(3) OPEB SCHEDULE (CONTINUED)**

**Changes of Assumptions**

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.

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

**OTHER SUPPLEMENTARY INFORMATION**

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Agency Head: Derek Boese (Chief Administrative & Public Information Officer)

	<u>Derek Boese</u>
Salary	\$ 187,365
Benefits-health insurance	20,380
Benefits-retirement	83,829
Benefits-life insurance	536
Car allowance	1,086
Cell phone	1,363
Dues	472
Travel	72
Registration fees	<u>100</u>
	<u>\$ 295,203</u>

**SINGLE AUDIT SECTION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority (the "Authority") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 6, 2020.

**Internal Control over Financial Reporting**

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

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

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



To the Board of Commissioners  
Southeast Louisiana Flood Protection Authority - East and  
Lakefront Management Authority Board  
October 6, 2020

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

October 6, 2020  
New Orleans, Louisiana

*Ericksen Krentel, LLP*

Certified Public Accountants



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the Southeast Louisiana Flood Protection Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

To the Board of Commissioners  
Southeast Louisiana Flood Protection Authority - East and  
Lakefront Management Authority Board  
October 6, 2020

### **Report on Internal Control over Compliance**

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

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

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

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

This report is intended solely for the information and use of management, the 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 those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 6, 2020  
New Orleans, Louisiana

  
Certified Public Accountants

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Homeland Security</b>				
<i>Pass - Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness</i>				
Hazard Mitigation Grant Program	97.039	FEMA-1603-DR-LA	\$ 2,910,470	\$ 208,145
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1603-DR-LA	427,110	1,212
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1603-DR-LA	1,195,151	377,482
Port Security Grant Program 2016	97.056	EMW-2016-PIJ-00601	44,855	44,855
Port Security Grant Program 2016	97.056	EMW-2016-PIJ-00614	29,213	29,213
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1603-DR-4458	19,814	19,814
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-1603-DR-4458		<u>5,660</u>
Total U.S. Department of Homeland Security				<u>686,381</u>
<b>Federal Aviation Administration</b>				
Airport Improvement Program	20.106	03-22-0038-030-2017	389,480	16,587
Airport Improvement Program	20.106	03-22-0038-031-2018	292,472	175,345
Airport Improvement Program	20.106	03-22-0038-032-2019	6,560,406	5,705,545
COVID-19 - Airport Improvement Program	20.106	03-22-0038-033-2020	157,000	<u>157,000</u>
Total Federal Aviation Administration				<u>6,054,477</u>
Total expenditures of federal awards				<u>\$ 6,740,858</u>

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

All federal grant operations of the Southeast Louisiana Flood Protection Authority - East (“the Authority”) are included in the scope of the single audit. The program which was a major grant and was selected for specific testing was:

Airport Improvement Program (CFDA No. 20.106)

**NOTE 2 – FISCAL PERIOD AUDIT**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2020.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Accrued and Deferred Reimbursement**

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

**Pass-Through Entity Information**

Pass-through entity identifying numbers are presented where available.

**Payments to Subrecipients**

There were no payments to subrecipients for the fiscal year ended June 30, 2020.

**NOTE 4 – INDIRECT COST RATE**

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

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the 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 financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the 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 significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for the Southeast Louisiana Flood Protection Authority - East expresses an unmodified opinion.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. No management letter was issued for the year ended June 30, 2020.
8. The program tested as a major program was:

	<u>CFDA Number</u>
Airport Improvement Program	20.106

9. The threshold for distinguishing Types A and B programs was \$750,000.
10. Southeast Louisiana Flood Protection Authority - East was determined to be a low-risk auditee.

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2020.

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

There were no findings related to major federal award programs for the year ended June 30, 2020.

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

Not Applicable

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

Not Applicable

**SECTION III - MANAGEMENT LETTER**

Not Applicable

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

**ANNUAL FISCAL REPORT (AFR)  
FOR 2020**

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East

PREPARED BY: Kelli Chandler

PHONE NUMBER: 504-286-3100

EMAIL ADDRESS: kchandler@floodauthority.org

SUBMITTAL DATE: 10/19/2020 08:49 AM

**STATEMENT OF NET POSITION**

**ASSETS**

**CURRENT ASSETS:**

CASH AND CASH EQUIVALENTS	6,011,661.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	141,450,013.00
RESTRICTED INVESTMENTS	13,668,151.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	3,442,926.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	2,025,461.00
INVENTORIES	278,740.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	3,169,944.00
<b>TOTAL CURRENT ASSETS</b>	<b>\$170,046,896.00</b>

**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)	0.00

**CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)**

LAND	36,946,736.00
BUILDINGS AND IMPROVEMENTS	118,323,878.00
MACHINERY AND EQUIPMENT	7,618,782.00
INFRASTRUCTURE	880,138,761.00
INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	6,067,425,500.00
OTHER NONCURRENT ASSETS	0.00
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$7,110,453,657.00</b>
<b>TOTAL ASSETS</b>	<b>\$7,280,500,553.00</b>

**DEFERRED OUTFLOWS OF RESOURCES**

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEE)	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 DEFERRED OUTFLOWS OF RESOURCES	4,278,663.00

See independent auditors report

**ANNUAL FISCAL REPORT (AFR)  
FOR 2020**

AGENCY: 20-28-01 - Southeast Louisiana Flood Protection Authority - East

PREPARED BY: Kelli Chandler

PHONE NUMBER: 504-286-3100

EMAIL ADDRESS: kchandler@floodauthority.org

SUBMITTAL DATE: 10/19/2020 08:49 AM

PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	9,287,736.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$13,566,399.00</b>

<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$7,294,066,952.00</b>
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**LIABILITIES**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE AND ACCRUALS	3,841,109.00
ACCRUED INTEREST	0.00
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	836,003.00
OTHER CURRENT LIABILITIES	16,376,140.00

**CURRENT PORTION OF LONG-TERM LIABILITIES:**

CONTRACTS PAYABLE	786,008.00
COMPENSATED ABSENCES PAYABLE	1,071,385.00
CAPITAL LEASE OBLIGATIONS	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
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$22,910,645.00</b>

**NONCURRENT PORTION OF LONG-TERM LIABILITIES:**

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	1,441,448.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
TOTAL OPEB LIABILITY	15,669,721.00
NET PENSION LIABILITY	42,933,936.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$60,045,105.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$82,955,750.00</b>

**DEFERRED INFLOWS OF RESOURCES**

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	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 ORIGATION	0.00
LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	4,389,851.00

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PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	204,265.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$4,594,116.00</b>
<b>NET POSITION:</b>	
NET INVESTMENT IN CAPITAL ASSETS	7,109,667,649.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	500,000.00
UNRESTRICTED	\$96,349,437.00
<b>TOTAL NET POSITION</b>	<b>\$7,206,517,086.00</b>

**ANNUAL FISCAL REPORT (AFR)  
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PREPARED BY: Kelli Chandler

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EMAIL ADDRESS: kchandler@floodauthority.org

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**STATEMENT OF ACTIVITIES**

**PROGRAM REVENUES**

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
73,876,643.00	5,990,809.00	0.00	9,950,155.00	\$(57,935,679.00)

**GENERAL REVENUES**

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	1,595,786,124.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
<b>CHANGE IN NET POSITION</b>	<b>\$1,537,850,445.00</b>
NET POSITION - BEGINNING	\$5,664,741,458.45
NET POSITION - RESTATEMENT	3,925,182.55
<b>NET POSITION - ENDING</b>	<b>\$7,206,517,086.00</b>

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**DUES AND TRANSFERS**

Account Type		
Amounts due from Primary		
Government	Intercompany (Fund)	Amount
		<hr/>
	Total	\$0.00

Account Type		
Amounts due to Primary		
Government	Intercompany (Fund)	Amount
		<hr/>
	Total	\$0.00

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**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
		<b>Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Series - Unamortized Premiums:**

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		<b>Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Series - Unamortized Discounts:**

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		<b>Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>

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**SCHEDULE OF BONDS PAYABLE AMORTIZATION**

<b>Fiscal Year Ending:</b>	<b>Principal</b>	<b>Interest</b>
2021	0.00	0.00
2022	0.00	0.00
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
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
Premiums and Discounts	\$0.00	
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>

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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 6/30/2019 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. 0.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 11,135,266.00

**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 (7/1/2019 - 6/30/2020). 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 6/30/2020 for their OPEB valuation report.)

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

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**FUND BALANCE/NET POSITION RESTATEMENT**

<b>Account Name/Description</b>	<b>Restatement Amount</b>
NONCURRENT ASSETS - CONSTRUCTION IN PROGRESS	
Description:	3,925,182.55
Capitalization of CIP from expenses incurred in prior year.	
<b>Total</b>	<b>\$3,925,182.55</b>

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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](mailto:LLAFileroom@lla.la.gov).