

**SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST**

**ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2016**

**SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
June 30, 2016  
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**Broussard & Company**  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Southeast Louisiana Flood Protection Authority – West  
Marrero, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority – West (the "West Authority"), a component unit of the State of Louisiana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the West 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 accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these basic 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the West Authority as of June 30, 2016 and the respective changes in financial position and the budgetary comparison for the West Authority's General fund, the West Jefferson Levee District O&M Special Revenue Fund and the Algiers Levee District O&M Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during my 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 made for the purpose of forming an opinion on the financial statements that collectively comprise the West Authority's basic financial statements. The Individual Fund Statements and Schedules and the other Supplementary Information listed in the table of contents as well as the Division of Administration – Annual Financial Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements, schedules and supplementary information including the Division of Administration – Annual Financial Report 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 individual fund statements, schedules, and other supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2016, on our consideration of the West 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Authority's internal control over financial reporting and compliance.

***Broussard and Company***

Lake Charles, Louisiana  
August 29, 2016

**SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST**

**MANAGEMENT’S DUSCUSSION AND ANALYSIS  
June 30, 2016**

As management of the Southeast Louisiana Flood Protection Authority – West (the “West Authority”), we offer readers of the West Authority’s financial statements this narrative overview and analysis of the financial activities of the West Authority as of June 30, 2016 and for the fiscal year then ended. We encourage readers to consider the information presented here in conjunction with the financial statements. All amounts, unless otherwise noted, are expressed in thousands of dollars (\$1,000’s).

**FINANCIAL HIGHLIGHTS**

- The assets of the West Authority exceeded its liabilities at the close of the most recent fiscal year by \$24,871 (*net position*). Of this amount, \$8,717 or 35.0 percent reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles and infrastructure), \$531 or 2.1 percent is *restricted* for capital projects, and \$15,623 (*unrestricted net position*) or 62.9 percent may be used to meet the government’s ongoing obligations to citizens and creditors.
- The West Authority’s total net position increased by \$977 or 4.1 percent during 2016 primarily due to a legal settlement the West Authority received during the current fiscal year.
- As of close of the current fiscal year, the West Authority’s governmental funds reported combined ending fund balance of \$23,683, an increase of \$1,959 or 9.0 percent. Approximately \$9,559 (40.3 percent) is reported as committed fund balance, \$13,646 (57.6 percent) is assigned fund balance, and \$478 (2.1 percent) is unassigned fund balance and is available for spending at the government’s discretion.
- At the end of the current fiscal year, unassigned fund balance for the West Authority’s General Fund was \$478, which was 21.0 percent of total general fund expenditures.
- The WJLD O&M Special Revenue Fund had fund balance of \$9,664 and increase of \$936 from last year.
- The ALD O&M Special Revenue Fund had fund balance of \$6,127, an increase of \$716 from last year.
- WJLD and ALD both maintain reserves in Emergency Funds. The committed fund balances relating to these reserves totaled \$1,544 and \$840, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Southeast Louisiana Flood Protection Authority – West’s (the “West Authority”) basic financial statements. The West 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 West Authority’s finances, in a manner similar to a private-sector business.

The “statement of net position” presents information on all of the West 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 West Authority is improving or deteriorating.

The “statement of activities” present 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 expense 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 West 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 West Authority only has governmental activities in the public works function. This function includes executive, administrative, and maintenance/construction activities.

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 West Authority is a "component unit" of the State of Louisiana.

The West Authority, in turn, has two component units of its own, the West Jefferson Levee District and the Algiers Levee District, that are included (i.e., "blended") in these financial statements. Both of these levee districts are separate legal entities from the West Authority, however, because West Authority's Board serves as their oversight boards, they are, in substance, part of the West Authority.

**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 West Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The West Authority's funds are classified as "governmental funds".

"Governmental funds" are used to account for essentially the same functions reports 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for "governmental funds" with similar information presented for "governmental activities" in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between "governmental fund" and "governmental activities".

The West Authority and its component units 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 General Fund, the WJLD O&M Special Revenue Fund, the ALD O&M Special Revenue fund, the WJLD Emergency Special Revenue Fund, the ALD Emergency Special Revenue Fund, the WJLD Westbank Hurricane Capital Projects Fund, and the West Closure Complex Fund. All of these funds are considered to be "major" funds.

The West Authority adopts annual budgets for its General Fund, the WJLD O&M Special Revenue Fund and the ALD O&M Special Revenue Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the West Authority, assets exceeded liabilities by \$24,871 at June 30, 2016.

A large portion of the West Authority's net position (35.0 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, vehicles and heavy equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The West Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the West Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities			
	2016		2015	
Current and other assets	\$	23,855	\$	21,961
Capital assets		8,717		8,973
Deferred outflows related to pension		945		1,399
Total assets	\$	<u>33,517</u>	\$	<u>32,333</u>
Long-term liabilities outstanding	\$	8,383	\$	7,330
Other liabilities		172		237
Deferred inflows related to pension		91		872
Total liabilities	\$	<u>8,646</u>	\$	<u>8,439</u>
Net Position				
Invested in capital assets, net of				
related debt	\$	8,717	35.0%	\$ 8,973 37.6%
Restricted		531	2.1%	531 2.2%
Unrestricted		<u>15,623</u>	62.8%	<u>14,390</u> 60.2%
Total net position	\$	<u>24,871</u>		<u>\$ 23,894</u>

*Restricted net position* of \$531 are reported (2.1 percent of the total) to show that funds are restricted for use on the projects that are funded through the capital project fund (in this case, the Westbank Hurricane Levee Protection project).

The remaining balance of *unrestricted net position* (\$15,623 or 62.9 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2016, the West Authority is able to report positive fund balances in all three categories of net position.

**Governmental Activities.** Governmental activities increased the West Authority’s net position by \$977. Key elements of this increase are as follows:

**SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST  
CHANGES IN NET POSITION**

	Governmental Activities	
	2016	2015
Revenues		
General revenues:		
Property taxes	\$ 7,723	\$ 7,693
State revenue sharing	451	697
Commissions and royalties	5	12
Interest	178	60
Gain on sale of equipment	8	17
Legal settlement	2,007	-
Other	365	220
Total revenues	<u>10,737</u>	<u>8,699</u>
Expenses		
Public works		
Executive	1,366	958
Administrative	1,171	874
Maintenance	5,470	4,325
Non departmental	1,282	260
Pension	471	792
Total expenses	<u>9,760</u>	<u>7,209</u>
Increase in net position	977	1,490
Net position - beginning of year	<u>23,894</u>	<u>22,404</u>
Net position - end of year	<u>\$ 24,871</u>	<u>\$ 23,894</u>

Revenues increased \$2,038 or 19.0% primarily due to the proceeds from the BP Deepwater Horizon oil spill legal settlement that occurred in April 2010. The West Authority received a total of \$2,007,164 covering both West Jefferson and Algiers as a full and final settlement. Revenue sharing was reduced due to state budget cuts. Interest increased as a result of switching financial institutions and obtaining higher interest rates.

Expenses increased \$2,551 or 35.4%. Higher legal fees due to the BP legal settlement and millage election expenses contributed to this increase as well as higher project costs.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

**Governmental Funds.** The focus of the West Authority’s “governmental funds” is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the West Authority’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.



At June 30, 2016, the West Authority's governmental funds reported a combined ending fund balance of \$23,683, and increase of \$1,959 or 9.0% in comparison to the prior year. Of the total, \$478 is reported in the General Fund, \$15,791 is in Special Revenue Funds, and \$7,414 is in Capital Project Funds.

The **General Fund** is the chief operating fund of the West Authority. At June 30, 2016, the unassigned fund balance of the General Fund totaled \$478. The fund balance of the West Authority's General fund increased by \$396 during the current fiscal year.

The **WJLD O&M Special Revenue Fund** is the chief operating fund of the West Jefferson Levee District. At June 30, 2016, the fund balance of this Special Revenue Fund totaled \$9,664, an increase of \$936 from the prior year. Of this amount \$1,544 is committed to funding emergency activities.

The **ALD O&M Special Revenue Fund** is the chief operating fund of the Algiers Levee District. At June 30, 2016, the fund balance of this Special Revenue Fund totaled \$6,127, an increase of \$716 from the prior year. Of this amount \$840 is committed to funding emergency activities.

The **WJLD Westbank Hurricane Levee Capital Project fund** has a total fund balance of \$5,572 at year-end. The **West Closure Complex** has a fund balance of \$239 at year-end.

For budgetary purposes, the West Authority budgets the activities of the **WJLD Emergency Special Revenue fund** and the **ALD Emergency Special Revenue Fund** separately from the O&M funds of each district. At June 30, 2016, these funds had fund balances of \$1,544 and \$840, respectively. For GAAP purposes, these funds are merged into the applicable O&M Special Revenue Fund and the fund balances are shown as committed fund balance.

## **BUDGETARY HIGHLIGHTS**

### **Revenues**

The **West Authority's General Fund's** final budget called for revenues of \$155 which included intergovernmental funding of \$140 which was transferred out to capital projects. Overall, revenues came in right at budget.

The **WJLD O&M Special Revenue Fund's** final budget called for revenues of \$5,680. Overall, revenues came in slightly under budget.

The **ALD O&M Special Revenue Fund's** final budget called for revenues of \$2,759, an increase of \$1,428 from the original. The largest increases were in Ad Valorem and Interest. Overall, revenues came in slightly over budget.

### **Expenditures**

Overall, the expenditures of the West Authority and its major operating funds came in at or near budget.

The **West Authority's General Fund** expenditures were \$461 less than the final budgeted amount of \$2,736. All functions were basically right at or slightly over or under budget.

The **WJLD O&M Special Revenue Fund** expenditures were \$474 less than the final budgeted amount of \$4,066. All functions were basically right at or slightly over or under budget.

The **ALD O&M Special Revenue Fund** expenditures were \$275 less than the final budgeted amount of \$1,027. All functions were basically right at or slightly over or under budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The West Authority's investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$8,717 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and equipment, vehicles and heavy equipment. The West Authority's investment in capital assets decreased by \$256 or 2.9%.

### **SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – WEST CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities	
	2016	2015
Land	\$ 5,788	\$ 5,788
Buildings	1,414	1,495
Furniture and equipment	1,515	1,690
Total	8,717	8,973
Related debt	-	-
Net Investment in Fixed Assets	\$ 8,717	\$ 8,973

The infrastructure assets (primarily levees) were removed from the books of the West Authority in 2011 as it was determined that the levees previously capitalized by the West Jefferson Levee District had been replaced or greatly improved upon by the construction of the new Westbank Hurricane Protection Levee. This new levee was built post-Katrina by the Corps of Engineers (COE) and the Coastal Protection and Restoration Authority (CPRA). These assets are now carried on their books.

**Long-term Debt.** At the end of the current fiscal year, the West Authority long-term debt totaled \$8,383. This amount is made up of \$233 in compensated absences, \$1,682 in Other Post-Employment Benefits (OPEB) and \$6,468 in Net Pension Liability.

The \$1,682 in OPEB relates to the calculated amount of unfunded actuarial contributions that have been accrued on the financial statements. To date, the West Authority is not able to fund the actuarially calculated liability for OPEB.

The pension liability was actuarially calculated by the State Retirement System.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The **West Jefferson Levee District** (WJLD) levies a millage of 5.03 mills for Levee District Constitutional General Tax that generates \$5.2 million in revenue annually. WJLD operations have been funded at this level since its founding in 1980. This funding level was sufficient to operate and maintain levees that were in place prior to Hurricane Katrina.

However, following Hurricane Katrina the flood protection system within WJLD's jurisdiction was vastly expanded and upgraded. The new infrastructure has provided 47 miles of wider, higher, stronger hurricane protection levees, 19 miles of similarly upgraded Mississippi River levees, plus enhancements to pump stations and floodgates. This included construction of the world's largest pump station and North America's largest sector gate, which protect the entire West Bank of the New Orleans Metropolitan Area.

The overall federal and state investment was \$4.9 billion for the West Bank and Vicinity project. Over the next several years, the new HSDRRS will require expensive Repairs, Rehabilitation and Replacement (RR&R), including levee lifts to compensate for natural subsidence.

In November of 2015, voters rejected WJLD's request for a 5.5 millage increase for 30 years. Without this additional revenue, WJLD has scaled back its proposed schedule of levee lifts. While this revised maintenance schedule will allow WJLD to provide satisfactory near term flood protection, present funding will be inadequate to cover required RR&R or maintenance lifts beyond fiscal 2016. Because of the failure of the 2015 proposed millage election for WJLD, the annual budgets will not be able to cover future levee lifts and structural repairs with projected resources beginning in 2016. This was affirmed as estimated by the independent Bureau of Governmental Research (BGR) review, which noted that the annual deficiencies will be approximately \$5.6 million. Further, as BGR stated, the "consequent deterioration of the system could increase the risk of flooding and lead to flood insurance rate hikes." This places WJLD at risk of not being able to maintain FEMA certification of its levees. Areas located behind decertified levees will be designated as high-risk Special Flood Hazard Areas.

The **Algiers Levee District** (ALD) generates \$2.6 million in revenue from 5.46 mills for Levee District Constitutional General Tax, 0.75 mills for Levee District Maintenance Tax and 6.35 mills for Special Levee Improvement Tax. The Special Levee Improvement Tax, which currently generates \$1.2 million out of the \$2.6 million, was renewed by the voters of Algiers during the November 2015 election for a period of 30 years. This revenue generated is anticipated to be sufficient to operate and maintain the upgraded flood protection system in Algiers, including 14 miles of river levees and 10 miles of Donner Canal levees. The Algiers Levee District was carved out of the Orleans Levee District (OLD) in 2007, and retained the same taxing millage inherited from the OLD.

All of these factors were considered in preparing the West Authority's budgets for the 2015/2016 fiscal year.

#### *REQUESTS FOR INFORMATION*

This financial report is designed to provide a general overview of the West Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board President, Southeast Louisiana Flood Protection Authority – West, 7001 River Road, Marrero, LA 70072.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS:

Current Assets

Cash and cash equivalents	\$ 22,468,768
Receivables (net of allowance for uncollectibles)	<u>1,385,910</u>
Total current assets	23,854,678

Noncurrent Assets

Capital assets (net of accumulated depreciation)	8,716,959
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Deferred Outflows of Resources

Deferred outflows related to pensions	945,452
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TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 33,517,089</u>
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LIABILITIES AND NET POSITION:

Current Liabilities

Accounts payable and other current liabilities	\$ 107,156
Accrued payroll and deductions	<u>64,859</u>
Total current liabilities	<u>172,015</u>

Noncurrent Liabilities

Compensated absences payable	232,793
OPEB liability	1,681,434
Net pension liability	<u>6,468,440</u>
Total noncurrent liabilities	<u>8,382,667</u>

TOTAL LIABILITIES	<u>8,554,682</u>
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Deferred Inflows of Resources

Deferred inflows related to pensions	<u>91,386</u>
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NET POSITION

Invested in capital assets, net of related debt	8,716,959
Restricted for:	
Capital Projects	531,169
Unrestricted	<u>15,622,893</u>
TOTAL NET POSITION	<u>24,871,021</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 33,517,089</u>
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The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

FUNCTION/BUREAU	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
Primary Government					
Governmental Activities:					
Public Works					
Executive	\$ 1,365,873	\$ -	\$ -	\$ -	\$ (1,365,873)
Administrative	1,313,402	-	-	-	(1,313,402)
Maintenance	5,798,308	-	-	-	(5,798,308)
Nondepartmental	1,282,376	-	-	-	(1,282,376)
Total governmental activities	<u>\$ 9,759,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(9,759,959)</u>
GENERAL REVENUES:					
					7,722,609
					450,888
					5,497
					177,559
					8,598
					2,007,165
					364,739
					<u>10,737,055</u>
					977,096
					23,893,925
					<u>\$ 24,871,021</u>

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

GOVERNMENTAL FUNDS  
BALANCE SHEET (GAAP BASIS)  
June 30, 2016

	SELFPA-W GENERAL FUND	WJLD OPERATIONS AND MAINTENANCE	ALD OPERATIONS AND MAINTENANCE	WJLD EMERGENCY FUND	ALD EMERGENCY FUND	WJLD WESTBANK HURRICANE PROTECTION LEEVE	WEST CLOSURE COMPLEX	WEST CLOSURE COMPLEX EMERGENCY	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>									
Cash and cash equivalents	\$ 222,268	\$ 5,651,156	\$ 6,049,772	\$ -	\$ -	\$ 7,242,754	\$ 1,699,500	\$ 1,603,318	\$ 22,468,768
Receivables (net of allowance for uncollectibles)	-	17,617	1,337,146	-	-	31,147	-	-	1,385,910
Due from other funds	309,039	4,031,351	337,348	-	-	-	-	-	4,677,738
<b>TOTAL ASSETS</b>	<b>\$ 531,307</b>	<b>\$ 9,700,124</b>	<b>\$ 7,724,266</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,273,901</b>	<b>\$ 1,699,500</b>	<b>\$ 1,603,318</b>	<b>\$ 28,532,416</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts payable	\$ 2,295	\$ 22,316	\$ 11,702	\$ -	\$ -	\$ 2,625	\$ 68,218	\$ -	\$ 107,156
Accrued payroll and deductions	50,865	13,994	-	-	-	-	-	-	64,859
Due to other funds	-	-	1,585,790	-	-	1,699,656	1,392,292	-	4,677,738
Revenue grant anticipation notes payable	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>53,160</b>	<b>36,310</b>	<b>1,597,492</b>	<b>-</b>	<b>-</b>	<b>1,702,281</b>	<b>1,460,510</b>	<b>-</b>	<b>4,849,753</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	1,543,902	839,596	-	-	5,571,620	-	1,603,318	9,558,436
Assigned	-	8,119,912	5,287,178	-	-	-	238,990	-	13,646,080
Unassigned	478,147	-	-	-	-	-	-	-	478,147
<b>TOTAL FUND BALANCES</b>	<b>478,147</b>	<b>9,663,814</b>	<b>6,126,774</b>	<b>-</b>	<b>-</b>	<b>5,571,620</b>	<b>238,990</b>	<b>1,603,318</b>	<b>23,682,663</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 531,307</b>	<b>\$ 9,700,124</b>	<b>\$ 7,724,266</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,273,901</b>	<b>\$ 1,699,500</b>	<b>\$ 1,603,318</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds as well as deferred outflows related to pensions	9,662,411
Long-term liabilities, including compensated absences payable, other post employment benefits liability and net pension liability as well as deferred inflows related to pensions	(8,474,053)
	<u>\$ 24,871,021</u>

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016

	SELFPA-W GENERAL FUND	WILD OPERATIONS AND MAINTENANCE	ALD OPERATIONS AND MAINTENANCE	WILD EMERGENCY FUND	ALD EMERGENCY FUND	WLD WESTBANK HURRICANE PROTECTION LEVEE	WEST CLOSURE COMPLEX	WEST CLOSURE COMPLEX EMERGENCY	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>									
<b>Taxes</b>									
Property taxes	\$ -	\$ 5,125,850	\$ 2,596,759	\$ -	\$ -	\$ -	\$ -	\$ -	7,722,609
<b>Intergovernmental</b>									
Federal	-	-	-	-	-	-	-	-	-
State	-	361,129	89,759	-	-	167,270	-	-	618,158
Parish Local	139,500	-	-	-	-	-	-	-	139,500
Service charges, fees, and commissions	233	20,847	3,850	-	-	-	-	-	24,930
Interest	9,198	112,842	46,288	-	-	9,231	-	-	177,559
Miscellaneous	6,272	9,264	23,000	-	-	-	-	-	38,536
<b>TOTAL REVENUES</b>	<b>155,203</b>	<b>5,629,932</b>	<b>2,759,656</b>	<b>-</b>	<b>-</b>	<b>176,501</b>	<b>-</b>	<b>-</b>	<b>8,721,292</b>
<b>EXPENDITURES</b>									
<b>Current</b>									
<b>Public Works</b>									
Executive	64,587	616,014	348,782	-	-	-	-	-	1,029,383
Administrative	2,211,082	381,819	65,621	-	-	1,000	-	-	2,659,522
Maintenance	-	1,975,230	224,900	-	-	1,050,022	942,964	-	4,193,116
Non-departmental	-	412,040	103,188	-	-	-	13,840	-	529,068
<b>Capital outlay</b>									
Property, plant and equipment	-	207,016	9,885	-	-	-	-	-	216,901
Levee construction projects	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,275,669</b>	<b>3,592,119</b>	<b>752,376</b>	<b>-</b>	<b>-</b>	<b>1,051,022</b>	<b>956,804</b>	<b>-</b>	<b>8,627,990</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,120,466)</b>	<b>2,037,813</b>	<b>2,007,280</b>	<b>-</b>	<b>-</b>	<b>(874,521)</b>	<b>(956,804)</b>	<b>-</b>	<b>93,302</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	2,252,116	501,138	-	-	-	-	939,500	1,603,318	5,296,072
Transfers out	(1,742,818)	(1,461,290)	(1,291,964)	-	-	(800,000)	-	-	(5,296,072)
Sale of capital assets	-	8,598	-	-	-	-	-	-	8,598
Legal Settlement	2,007,165	-	-	-	-	-	-	-	2,007,165
Oil Royalty Payment	-	(150,359)	-	-	-	-	-	-	(150,359)
<b>TOTAL OTHER FINANCING     SOURCES (USES)</b>	<b>2,516,463</b>	<b>(1,101,913)</b>	<b>(1,291,964)</b>	<b>-</b>	<b>-</b>	<b>(800,000)</b>	<b>939,500</b>	<b>1,603,318</b>	<b>1,865,404</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>395,997</b>	<b>935,900</b>	<b>715,316</b>	<b>-</b>	<b>-</b>	<b>(1,674,521)</b>	<b>(17,304)</b>	<b>1,603,318</b>	<b>1,958,706</b>
<b>FUND BALANCE</b>									
Beginning of year	82,150	8,727,914	5,411,458	-	-	7,246,141	256,294	-	21,723,957
End of year	\$ 478,147	\$ 9,663,814	\$ 6,126,774	\$ -	\$ -	\$ 5,571,620	\$ 238,990	\$ 1,603,318	\$ 23,682,663

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the Statement of Activities are  
different because:

Net change in fund balances - total governmental funds	\$ 1,958,706
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.	(264,298)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Increase in compensated absences	(15,859)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including expense of annual required contribution for OPEB and the net pension liability including deferred outflows and inflows	(701,453)
Net change in net position of governmental activities plus extraordinary item	<u>\$ 977,096</u>

The accompanying notes are an integral part of this statement.



SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES -BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	GAAP ACTUAL	BUDGETARY TO GAAP DIFFERENCE	BUDGETARY ACTUAL	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL
<b>REVENUES</b>						
Intergovernmental						
State	\$ 139,500	\$ -	\$ 139,500	\$ 139,500	\$ -	\$ -
Service charges, fees, and commissions	233	-	233	250	(17)	-
Interest	9,198	-	9,198	9,498	(300)	-
Miscellaneous	6,272	-	6,272	6,500	(228)	-
<b>TOTAL REVENUES</b>	<b>155,203</b>	<b>-</b>	<b>155,203</b>	<b>155,748</b>	<b>(545)</b>	<b>-</b>
<b>EXPENDITURES</b>						
Current						
Public Works						
Executive	64,587	-	64,587	69,515	4,928	60,015
Administrative	2,211,082	-	2,211,082	2,666,862	455,780	344,563
Maintenance	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-
Capital Outlay						
Property, plant and equipment	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,275,669</b>	<b>-</b>	<b>2,275,669</b>	<b>2,736,377</b>	<b>460,708</b>	<b>404,578</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,120,466)</b>	<b>-</b>	<b>(2,120,466)</b>	<b>(2,580,629)</b>	<b>460,163</b>	<b>(404,578)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,252,116	-	2,252,116	2,800,000	(547,884)	400,000
Transfers out	(1,742,818)	-	(1,742,818)	(1,742,818)	-	-
Sale of capital assets	-	-	-	-	-	-
Donation of equipment	-	-	-	-	-	-
Legal Settlement	2,007,165	-	2,007,165	2,007,165	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,516,463</b>	<b>-</b>	<b>2,516,463</b>	<b>3,064,347</b>	<b>(547,884)</b>	<b>400,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>395,997</b>	<b>-</b>	<b>395,997</b>	<b>483,718</b>	<b>(87,721)</b>	<b>(4,578)</b>
<b>FUND BALANCE</b>						
Beginning of year	82,150	-	82,150	82,150	-	82,150
End of year	\$ 478,147	\$ -	\$ 478,147	\$ 565,868	\$ (87,721)	\$ 77,572

The accompanying notes are an integral part of this statement.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

WEST JFFERSON LEVES DISTRICT- OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES -BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	GAAP ACTUAL	BUDGETARY TO GAAP DIFFERENCE	BUDGETARY ACTUAL	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL BUDGET
REVENUES						
Taxes						
Property Taxes	\$ 5,125,850	\$ -	\$ 5,125,850	\$ 5,178,296	\$ (52,446)	\$ 5,178,296
Intergovernmental						
Federal	-	-	-	-	-	-
State	361,129	-	361,129	361,129	-	463,420
Service charges, fees, and commissions	20,847	-	20,847	20,897	(50)	32,926
Interest	112,842	-	112,842	111,060	1,782	10,000
Miscellaneous	9,264	-	9,264	9,300	(36)	2,000
TOTAL REVENUES	<u>5,629,932</u>	<u>-</u>	<u>5,629,932</u>	<u>5,680,682</u>	<u>(50,750)</u>	<u>5,686,642</u>
EXPENDITURES						
Current						
Public Works						
Executive	611,071	-	611,071	693,546	82,475	381,328
Administrative	369,080	-	369,080	535,688	166,608	958,374
Maintenance	1,994,742	-	1,994,742	2,056,295	61,553	3,862,097
Non-departmental	410,210	-	410,210	417,972	7,762	413,738
Capital outlay						
Property, plant and equipment	207,016	-	207,016	363,000	155,984	408,000
Levee construction projects	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>3,592,119</u>	<u>-</u>	<u>3,592,119</u>	<u>4,066,501</u>	<u>474,382</u>	<u>6,023,537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,037,813</u>	<u>-</u>	<u>2,037,813</u>	<u>1,614,181</u>	<u>423,632</u>	<u>(336,895)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	501,138	-	501,138	514,001	(12,863)	-
Transfers out	(1,461,290)	-	(1,461,290)	(1,782,200)	320,910	(254,600)
Sale of capital assets	8,598	-	8,598	8,599	(1)	50,410
Oil Royalty Payment	(150,359)	-	(150,359)	-	(150,359)	-
Donation of equipment	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,101,913)</u>	<u>-</u>	<u>(1,101,913)</u>	<u>(1,259,600)</u>	<u>157,687</u>	<u>(204,190)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>935,900</u>	<u>-</u>	<u>935,900</u>	<u>354,581</u>	<u>581,319</u>	<u>(541,085)</u>
FUND BALANCE						
Beginning of year	8,727,914	-	8,727,914	8,727,914	-	9,727,914
End of year	<u>\$ 9,663,814</u>	<u>\$ -</u>	<u>\$ 9,663,814</u>	<u>\$ 9,082,495</u>	<u>\$ 581,319</u>	<u>\$ 9,186,829</u>

The accompanying notes are an integral part of this statement.

## SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST

## STATE OF LOUISIANA

## ALGIERS LEVEE DISTRICT- OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALNCES -BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	GAAP ACTUAL	BUDGETARY TO GAAP DIFFERENCE	BUDGETARY ACTUAL	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL BUDGET
<b>REVENUES</b>						
<b>Taxes</b>						
Property taxes	\$ 2,596,759	\$ -	\$ 2,596,759	\$ 2,565,906	\$ 30,853	\$ 1,230,979
<b>Intergovernmental</b>						
Federal	-	-	-	-	-	-
State	89,759	-	89,759	89,759	-	92,251
Service charges, fees, and commissions	3,850	-	3,850	3,900	(50)	2,000
Interest	46,288	-	46,288	45,912	376	4,500
Miscellaneous	23,000	-	23,000	23,500	(500)	1,500
<b>TOTAL REVENUES</b>	<b>2,759,656</b>	<b>-</b>	<b>2,759,656</b>	<b>2,728,977</b>	<b>30,679</b>	<b>1,331,230</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
<b>Public Works</b>						
Executive	348,782	-	348,782	402,487	53,705	217,773
Administrative	65,621	-	65,621	164,974	99,353	140,883
Maintenance	224,900	-	224,900	343,495	118,595	337,873
Non-departmental	103,188	-	103,188	103,188	-	100,770
<b>Capital outlay</b>						
Property, plant and equipment	9,885	-	9,885	13,000	3,115	73,500
Levee construction projects	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>752,376</b>	<b>-</b>	<b>752,376</b>	<b>1,027,144</b>	<b>274,768</b>	<b>870,799</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,007,280</b>	<b>-</b>	<b>2,007,280</b>	<b>1,701,833</b>	<b>305,447</b>	<b>460,431</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	(145,400)
Transfers out	(1,291,964)	-	(1,291,964)	(1,531,801)	239,837	-
Sale of capital assets	-	-	-	-	-	-
Donation of equipment	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,291,964)</b>	<b>-</b>	<b>(1,291,964)</b>	<b>(1,531,801)</b>	<b>239,837</b>	<b>(145,400)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>715,316</b>	<b>-</b>	<b>715,316</b>	<b>170,032</b>	<b>545,284</b>	<b>315,031</b>
<b>FUND BALANCE</b>						
Beginning of year	5,411,458	-	5,411,458	5,411,458	-	5,411,458
End of year	\$ 6,126,774	\$ -	\$ 6,126,774	\$ 5,581,490	\$ 545,284	\$ 5,726,489

SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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

The financial statements of the Southeast Louisiana Flood Protection Authority – West (the “West Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the West Authority’s accounting policies are described below.

**1. Reporting Entity**

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected or appointed officials or a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization’s governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The West Authority was created by Act 1 of the First Extraordinary Session of 2006. The governing board of commissioners administers the operations and responsibilities in accordance with the provision of Louisiana statutes. The West Authority is charged with overseeing the levee districts on the Westbank of the New Orleans Metropolitan area, which includes the West Jefferson Levee District and the Algiers Levee District. The members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by a nominating committee as provided by statute.

For financial reporting purposes, it has been determined that the West Authority is a component unit of the State of Louisiana. Annually, the State of Louisiana (the primary government) issues general purpose financial statements which include the activity contained in the accompanying financial statements. The State’s general purpose 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.

SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As noted above, the West Authority is charged with the responsibility of overseeing the West Jefferson Levee District and the Algiers Levee District. Both of these levee districts are separate legal entities from the West Authority, however, because the West Authority's Board serves as their oversight board, they are, in substance, part of the West Authority and are included (i.e., blended) within the West Authority's financial report.

The West Jefferson Levee District was incorporated on August 1, 1980, under the provision of Act 820 of the 1980 Legislative session, as amended (Civil Service code). It was charged with providing flood protection for those areas contained within the Parish of Jefferson to the west of the Mississippi River. Act 475 of the 2007 Legislative session amended the district by carving out a portion of the covered area and designating it the Lafitte Area Independent Levee District. All lands and other assets in the designated area were turned over by the West Jefferson Levee District to the new Lafitte Area Independent Levee District. West Jeff continues to cover those areas in Jefferson Parish to the west of the Mississippi River that are not within the boundaries of the Lafitte Area Independent Levee District.

The Algiers Levee District was also formed by Act 475 of the 2007 Legislative session. This Act carved a section out of the existing Orleans Levee District, specifically that portion of the Parish of Orleans on the west side of the Mississippi River.

**2. Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the West Authority. For the most part, the effect of inter-fund 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 to a significant extent on fees and charges for support. Because of the nature of the West Authority's operations, the West Authority reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Financial Statements**

Funds are used by the West Authority to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The funds of the West Authority are classified into the “governmental” category. The category, in turn, is divided into separate “fund types”.

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the general government not accounted for in some other fund.

Major individual governmental funds are reported as separate columns in the fund financial statements. The West Authority reports the following major governmental funds:

The ***SELFPA-W General Fund*** is the general operating fund of the West Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

The ***WJLD Operations and Maintenance Special Revenue Fund*** is the general operating account for the West Jefferson levee District. It is used to account for all financial resources dedicated to administration and maintenance costs of the district.

The ***ALD Operations and Maintenance Special Revenue Fund*** is the general operating account for the Algiers Levee District. It is used to account for all financial resources dedicated to administration and maintenance costs of the district.

The ***WJLD Emergency Operations Special Revenue Fund*** accounts for monies that are restricted to expenditures in the West Jefferson Levee District related to emergencies. For GAAP purposes, this fund is now merged into the WJLD Operations and Maintenance Special Revenue Fund.

The ***ALD Emergency Operations Special Revenue Fund*** accounts for monies that are restricted to expenditures in the Algiers Levee District related to emergencies. For GAAP purposes, this fund is now merged into the ALD Operations and Maintenance Special Revenue Fund.

SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The ***Westbank Hurricane Protection Levee Capital Project Fund*** is used to account for financial resources dedicated by the West Jefferson Levee District to be used for acquisition or construction of major capital facilities and structures related to the Westbank Hurricane Levee system.

The ***West Closure Complex Fund*** is used for operations, maintenance and repairs for the West Closure Complex to be performed by the West Authority and Plaquemines Parish for a period of one year or until such time as the provisions of Section 2013 of WRRDA 2014 are implemented by the United States Army Corp of Engineers.

The ***West Closure Complex Emergency Operations Special Revenue Fund*** accounts for monies that are restricted to expenditures in the West Jefferson Levee District and the Algiers Levee District related to emergencies of the West Closure Complex.

3. Measurement Focus, Basis for Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they become 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 West Authority considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, intergovernmental revenues, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, only when payment is due.

4. Assets, Liabilities, and Net position or Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents includes amounts in demand deposits, time deposits, and certificates of deposit. Louisiana Revised Statutes allow the West Authority to invest in time certificates of

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

State statutes authorize the West Authority to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements. In accordance with GASB Statement No. 31, investments, if any, are generally stated at fair value. If the investment is in money market securities and has a maturity date of less than 90 days from the balance sheet date, the investment is stated at cost or amortized cost.

*B. Interfund Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). As a general rule, all inter-fund balances are eliminated in the government-wide financial statements.

*C. Inventories*

The cost of materials and supplies acquired by the West Authority are recorded as expenditures at the time of purchase. It is management’s opinion that the inventory of such materials and supplies at June 30, 2016 would not be material to the financial statements.

*D. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as expenditures when paid. It is management’s opinion that the prepaid amount June 30, 2016, if any, would not be material to the financial statements.

*E. Capital Assets*

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., levees, floodwalls, sector gates and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the West Authority as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.



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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and are included in construction in progress. The levees are divided into “reaches” and are capitalized as such. Any major “lifts” or improvements to an existing levee/reach are capitalized as an addition to that levee/reach.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

<u>Asset Category</u>	<u>Estimated Life in Years</u>
Buildings	40
Furniture and fixtures	5
Autos and trucks	5
Mowers	5
Tractors	7-10
Heavy Equipment	5
Radios	3
Infrastructure (levees, floodwalls, floodgates, etc.)	50

*F. Compensated Absences*

It is the West Authority’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the West Authority does not have a policy to pay any amounts when employees separate from service to the West Authority. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with GASB Statement No. 16, an additional liability is recorded for salary related payments associated with the future payments of compensated absences.

*G. Long-Term Obligations*

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

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payment of principal and interest are recorded as expenditures only when due.

H. *Fund Equity*

In accordance with Government Accounting Standards Board (GASB) Statement No. 54-*Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental fund types are categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned, or Unassigned in the fund financial statements.

For *assigned fund balances*, the President and/or Director may assign amounts to a specific purpose via internal memorandum, with the board's approval.

While the West Authority has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The details of this \$(8,474,053) difference are as follows:

Compensated Absences Payable	\$ (232,793)
Net Pension Liability	(6,559,826)
Unfunded Annual Required Contribution for OPEB	<u>(1,681,434)</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ (8,474,053)</u>

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NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$264,298) difference are as follows:

Capital Outlay	\$ 216,901
Depreciation Expense	<u>(481,199)</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets-governmental activities</i>	<u>\$ (264,298)</u>

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NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

Formal budgetary accounting is employed as a management control device during the year for the SELFPA-W General Fund, the WJLD Operations and Maintenance Special Revenue Fund, and the ALD Operations and Maintenance Special Revenue Fund. Budgetary data for the WJLD and ALD Emergency Special Revenue Funds are not presented since these funds are restricted for emergency purposes only and are considered unpredictable. Budgetary data for the Capital Project funds are not presented since these funds are budgeted over the life of the respective project, not on an annual basis.

Expenditures may not exceed appropriations at the object level within the fund. All annual appropriations which are not expended lapse at year end.

The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that the WJLD and ALD Operations and Maintenance Special Revenue Funds do not include activity related to the two emergency funds. Thus, there is a perspective difference between Budgetary-Basis Actual and GAAP-Basis Actual.

Encumbrances are not recorded for budgetary purposes.

The Board of Commissioners of the West Authority submits the annual budgets to the Joint Legislative Committee on the Budget and the Legislative Auditor for the succeeding fiscal year. The operating budgets include proposed expenditures and the means of financing them.

The original budgets were adopted March of 2015. The amended budgets were adopted during fiscal year 2016. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying statements.

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NOTE D – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions

At June 30, 2016, deposits with financial institutions consisted of the following:

	Cash	Certificates of Deposits	Total
Deposits in Bank Accounts per Balance Sheet	\$ 22,468,768	\$ -	\$ 22,468,768
Bank Balances of			
Deposits Exposed to			
Custodial Credit Risk:			
A. Uninsured and uncollateralized	\$ -	\$ -	\$ -
B. Uninsured and collateralized with securities held by the pledging institution			
C. uninsured and collateralized with securities held by the pledging institutions trust department or agent but not in the Authority's name			
Total Bank Balances Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -
Total Bank Balances - All Deposits	\$ 22,599,890	\$ -	\$ 22,599,890

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2. Receivables

Receivables at year end for the West Authority's individual major funds, in the aggregate, total \$1,385,910 as follows:

Description	SELFPA-W General Fund	WJLD O&M Fund	ALD O&M Fund	WJLD Westbank Hurricane Protection Levee	Total
Ad Valorem taxes	\$ -	\$ 17,617	\$ 1,337,146	\$ -	\$1,354,763
State Coastal Protection and Restoration fund	-	-	-	31,147	31,147
Due from Paquemines Parish	-	-	-	-	-
Due from CPRA	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 17,617</u>	<u>\$ 1,337,146</u>	<u>\$ 31,147</u>	<u>\$1,385,910</u>

The \$17,617 receivable in the WJLD O&M Special Revenue Fund relates to property taxes received in the month of July 2015 that relate to the current fiscal year's tax sale held by the Jefferson Parish Tax Collector Fund and the final payment of state revenue sharing.

The \$1,337,146 receivable in the ALD O&M Special Revenue Fund relates to property taxes received in the month of July 2015 that relate to the current fiscal year's taxes held by the New Orleans Department of Revenue.

The \$31,147 receivable in the Westbank Hurricane Protection Levee Capital Project Fund is made up of invoice and reimbursable expenses claimed under an agreement with the State Coastal Protection and Restoration Authority for the Westbank Hurricane Levee Project (See Note F).

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3. Capital Assets

The following is a summary of changes in capital assets during the fiscal year:

Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 5,787,724	\$ -	\$ -	\$ 5,787,724
Construction in progress	-	-	-	-
Total Capital, Assets, not depreciated	<u>\$ 5,787,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,787,724</u>
Capital Assets, Being Depreciated				
Buildings	\$ 3,895,475	\$ -	\$ -	\$ 3,895,475
Furniture and Equipment	472,490	20,796	-	493,286
Machinery, Vehicles and Heavy Equip	2,927,188	204,236	-	3,131,424
Infrastructure	-	-	-	-
Total Capital Assets Being Depreciated	<u>7,295,153</u>	<u>225,032</u>	<u>-</u>	<u>7,520,185</u>
Less Accumulated Depreciation:				
Buildings	2,400,602	80,633	-	2,481,235
Furniture and Equipment	383,910	51,709	-	435,619
Machinery, Vehicles and Heavy Equip	1,325,239	348,857	-	1,674,096
Infrastructure	-	-	-	-
Total Accumulated Depreciation	<u>4,109,751</u>	<u>481,199</u>	<u>-</u>	<u>4,590,950</u>
Capital Assets Being Depreciated, Net	<u>\$ 3,185,402</u>	<u>\$ (256,167)</u>	<u>\$ -</u>	<u>\$ 2,929,235</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 8,973,126</u>	<u>\$ (256,167)</u>	<u>\$ -</u>	<u>\$ 8,716,959</u>

Depreciation expense included in the Statement of Activities for the year ended June 30, 2016 amounted to \$481,199.

Infrastructure assets, including levees and floodgate structures remain at \$-0- for 2016. It should be noted that during 2011, it was determined that the Westbank Hurricane Protection Levee, which had been started by the West Jefferson Levee District (WJLD) years ago and capitalized as infrastructure, was no longer in existence or in use by the West Authority. As discussed in Note F, in the aftermath of Hurricane Katrina, the Corps of Engineers (COE) took over constructing and improving the Westbank Hurricane levee system. The West Jefferson Levee District was replaced as the local sponsor by the Louisiana Coastal Protection and Restoration Authority (LCPRA). By 2011, the COE and the CPRA have essentially replaced or improved upon nearly every reach of the levee system that was previously capitalized by the WJLD. As such, all infrastructure improvements related to this levee system and the related accumulated depreciation were deleted from the books of the WJLD and transferred to the books of the LCPRA. The only asset remaining is the land purchased by WJLD as the footprint of the levee system, as this land remains titled in the name of the WJLD.

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4. Long-Term Debt

**Compensated Absences**

West authority employees, primarily those of the West Jefferson Levee District, earn annual and sick leave at various rates depending on the number of years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited.

Upon termination, an employee is 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, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes. Compensatory time is accrued up to a balance of 240 hours at rate of time and one-half. An employee who exceeds 240 hours receives either monetary consideration or compensatory time for the amount of hours earned in excess of the 240 hour limit. Upon termination, an employee is paid for unused compensatory time. The amount outstanding at year end was \$232,793.

**Changes in Long-Term Debt**

The following is a summary of changes in general long-term obligations of the West Authority for the fiscal year ended June 30, 2016:

Type of Debt	Balance 7/1/2015	Additions (Reductions)	Balance 6/30/2016
Compensated Absences	\$ 216,934	\$ 15,859	\$ 232,793
Other Post Employment Benefits (Note H)	\$ 1,443,231	\$ 238,203	\$ 1,681,434
Net Pension Liability (Note H)	5,669,934	798,506	6,468,440
	<u>\$ 7,330,099</u>	<u>\$ 1,052,568</u>	<u>\$ 8,382,667</u>



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NOTE D – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

5. Fund Balance Components

The specific purpose details of fund balance categories are as follows:

				WJLD Westbank Hurricane Capital Project		West Closure Complex Emergency	
Fund Balance/Category	SELFPA-W General Fund	WJLD O&M Special Revenue	ALD O&M Special Revenue		West Closure Complex		Total
Committed to:							
Emergency Operations	\$ -	\$ 1,543,902	\$ 839,596	\$ -	\$ -	\$ 1,603,318	\$ 3,986,816
Assigned to:							
Levee Operations	-	8,119,912	5,287,178	-	-		13,407,090
Westbank Hurricane	-	-	-	5,571,620	238,990		5,810,610
Unassigned	478,147	-	-	-	-		478,147
Total Fund Balance	<u>\$ 478,147</u>	<u>\$ 9,663,814</u>	<u>\$ 6,126,774</u>	<u>\$ 5,571,620</u>	<u>\$ 238,990</u>	<u>\$ 1,603,318</u>	<u>\$ 23,682,663</u>

Under Policy and Procedures Memorandum 2010-101, the West Authority has created emergency reserve funds within the WJLD O&M and ALD O&M Special Revenue Funds. These committed reserves can only be spent when an emergency is declared by the Board. The fund balances assigned to Levee Operations & Maintenance reflect the designations placed on these funds by the ad valorem tax levies that fund these activities. The amount assigned to the Westbank Hurricane Levee project reflects the balance in the capital project fund that is being used to provide ancillary services to the Corps of Engineers and the Coastal Protections and Restoration Authority in the construction of the Westbank Hurricane Protection Levee (See Note F).

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6. Interfund Transactions

**Inter-fund Transfers**

Fund	Transfers To/From	Transfer In	Transfer Out
SELFPA-W General Fund	WJLD O&M Special Revenue	\$ 1,461,290	\$ -
	ALD O&M Special Revenue	790,826	-
	West Closure Complex	-	139,500
	West Closure Complex		
	Special Revenue		1,603,318
		<u>2,252,116</u>	<u>1,742,818</u>
WJLD O&M Special Revenue	SELFPA-W General Fund		1,461,290
	ALD O&M Special Revenue	501,138	
		<u>501,138</u>	<u>1,461,290</u>
ALD O&M Special Revenue	SELFPA-W General Fund		790,826
	WJLD O&M Special Revenue		501,138
		<u>-</u>	<u>1,291,964</u>
WJLD Westbank Hurricane West Closure Complex	West Closure Complex		800,000
	SELFPA & WJLD Westbank	939,500	
	WCC Special Revenue	<u>1,603,318</u>	
Total All Funds		<u>\$ 5,296,072</u>	<u>\$ 5,296,072</u>

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NOTE D – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

**Inter-fund Receivables and Payables**

A summary of inter-fund balances on a GAAP basis at June 30, 2016 is as follows:

Fund	Due To/From	Due From	Due To
SELFPA-W General Fund	ALD O&M Special Revenue	\$ 309,039	\$ -
WJLD O&M Special Revenue	ALD O&M Special Revenue	1,276,751	-
	WJLD Westbank Hurricane	1,699,656	-
	West Closure Complex	1,054,944	-
		<u>4,031,351</u>	<u>-</u>
ALD O&M Special Revenue	West Closure Complex	337,348	-
	SELFPA-W General Fund	-	309,039
	WJLD O&M Special Revenue	-	1,276,751
		<u>337,348</u>	<u>1,585,790</u>
WJLD Westbank Hurricane	WJLD O&M Special Revenue	-	1,699,656
West Closure Complex	WJLD O&M Special Revenue	-	1,054,944
	ALD O&M Special Revenue	-	337,348
		<u>-</u>	<u>1,392,292</u>
		<u>4,677,738</u>	<u>4,677,738</u>

Inter-fund balances/transfers are eliminated and not presented in the Statements of Net Position and Activities.

7. Ad Valorem Taxes

**West Jefferson Levee District**

Article 6, § 39 of the 1974 Louisiana Constitution provides that for the purposes of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the West Jefferson Levee District may levy annually, a tax not to exceed 5.03 mills. If the district needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of 5.03 mills must be approved by a majority vote of the electorate.

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**NOTE D – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

The district levies an ad valorem (property tax) on real property within the district boundaries to finance operations and maintenance activities. The levy is generally made as of November 15 of each year. The tax is then due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent 30 days after its due date.

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Taxes are billed and collected by the Jefferson Parish Sheriff's Office and Ex-Officio Tax Collector (a separate entity), which receives a certain millage for its services. The taxes remitted by the Sheriff to the district are net of assessor's commission and pension fund contributions.

The number of mills levied for operations and maintenance on the 2015 and the 2016 tax rolls were 5.03 for each year, with 2016 being a "non-roll forward" year. This millage rate generated revenues of \$5,125,850 in the current year.

**Algiers Levee District**

Article 6, § 39 of the 1974 Louisiana Constitution provides that for the purposes of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the Orleans Levee District may levy annually, a tax not to exceed 5.46 mills. If the district needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of 5.46 mills must be approved by a majority vote of the electorate. The area covered by this tax includes the area included in the newly formed Algiers Levee District.

In 1983, the voters of the Parish of Orleans elected to continue a 6.35 mill tax on assessed property for a period of 30 years (1985 to 2015) to finance hurricane and flood protection projects and to fund the retirement of levee improvement bonds. An additional millage of 0.75 mills is levied pursuant to a special election held in 1974 to provide a "general maintenance" tax to finance the general maintenance expenditures of the Orleans Levee District. Again, the areas covered by these taxes include the area now governed by the newly created Algiers Levee District.

The actual millage rates levied for 2016 were 5.46 constitutional, 6.35 levee improvements, and 0.75 for general maintenance. These were exactly the same amounts levied last year.

The Algiers Levee District levies an ad valorem (property tax) on real property within the district boundaries to finance operations and maintenance activities based on the assessed values of the prior August 15. As provided by LRS 47:1997(b), ad valorem taxes are assessed for the calendar year, become due on January 1

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of each year and delinquent on February 1 of each year. The taxes are generally collected between January and April of each year.

Ad valorem taxes are levied based on property values in the City of New Orleans determined by Elected Board of Assessors (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Taxes are billed and collected by the City's Revenue Department (a separate entity). The taxes are remitted by the City to the Algiers Levee District.

As noted previously, the Algiers Levee District was formed by Act 475 of the 2010 Legislative session by carving an area out of the Orleans Levee District and placing it under the control of the West Authority. For the current fiscal year, the following revenues were recognized in the amount of \$2,596,759.

In 2016, The City of New Orleans reviewed their calculations and distributions to determine the status of the state revenue sharing funds. The Algiers Levee District received \$89,759.

8. Intergovernmental Revenues

Pursuant to Act 1 of the First Extraordinary Session of 2006, the State provided operating fund of up to \$500,000 to the West Authority. During 2016, as per the cooperative agreement with the State, the amount recognized by the West Authority totaled \$-0-.

NOTE E – COMMITMENT AND CONTINGENCIES

1. Risk Management

The West Authority and its component units are exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the West Authority purchases various types of insurance from commercial carriers.

Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate); automobile coverage is \$1,000,000 for combined single limits for all automobiles; \$2,000,000 for products/completed operations; and worker's compensation is provided at the statutory limits of \$1,000,000/\$1,000,000/\$1,000,000. In each policy, the West Authority or its component unit is responsible for the applicable deductible.

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NOTE E – COMMITMENT AND CONTINGENCIES (CONTINUED)

2. Contingent Liabilities

**Federal and State Financial Assistance**

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the West Authority expects such amounts, if any, to be immaterial.

**Litigation**

The West Authority and its component units are defendants in a number of claims and lawsuits. The West Authority's attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the West Authority and to arrive at an estimate, if any, of the amount or range of potential loss to the West Authority.

As a result of such a review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" categories, as defined in GASB Codification Section C50 for Claims and Judgments. In the opinion of management, the West Authority has adequate legal defenses or insurance coverage with respect to each of these claims and lawsuits and does not believe that they will materially affect the West Authority's financial statements.

NOTE F – JOINT VENTURE – WESTBANK HURRICANE PROTECTION LEVEE

Pursuant to project cooperative agreement (PCA) dated December 18, 1980, the West Jefferson Levee District (WJLD) and the U.S. Army Corps of Engineers (COE) began constructing a hurricane protection levee system within the District's boundaries under a "cost-sharing" agreement. Under the original agreement, the project was limited to the West of Harvey Canal and the District was to provide 35 percent of the cost as a local match. The WJLD's share was to be made up of expropriations, easements, land acquisitions, relocation assistance and in-kind construction work.

In August 2005, Hurricane Katrina struck the area. In the aftermath of the storm, the Westbank and Vicinity Hurricane Levee project was modified and placed under the control of the COE.

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NOTE F – JOINT VENTURE – WESTBANK HURRICANE PROTECTION LEVEE (CONTINUED)

In the wake of Hurricane Katrina, several changes were made/proposed to the project. In December 2006, the United States Congress passed the 3<sup>rd</sup> Supplemental Emergency Bill which provided approximately \$200.0 million to the District to repair deficient flood-walls and to accelerate completion of those parts of the project not yet finished. 100 percent of the funding was to be provided by the Federal Government through the COE.

In June 2009, Congress passed the 4<sup>th</sup> Supplemental Emergency Bill which provided an additional \$495.0 million to raise the authorized elevation of levees in the area to meet the requirements of a 100 year event. Flood-wall construction was to be funded at 100 percent by the Federal Government, but levee construction was now funded at 65 percent Federal and 35 percent State/Local. This appropriation was to be spent on the Westbank Hurricane Protection levee and the Lake Ponchartrain Levee (managed by the East Jefferson Levee District). The bill did not allocate the funding between agencies/jurisdictions.

The 4<sup>th</sup> Supplemental Emergency Bill also provided \$1.584 billion to replace all flood-walls within the New Orleans Metropolitan area, including the Parishes of Orleans, St. Bernard, and Jefferson (which includes the area managed by the West Jefferson Levee District). The bill did not allocate the funding between agencies/jurisdictions.

The State amended the Project Cooperative Agreement (PCA) between the State DOTD, the COE, and the levee district to provide for these changes. Amendment No. 2 to the agreement defined the funding and responsibilities for the 3<sup>rd</sup> Supplemental Emergency Bill. Amendment No. 3 to the agreement addressed the funding and responsibilities for the 4<sup>th</sup> Supplemental Emergency Bill.

To provide for the continued construction of hurricane flood protection for coastal Louisiana, the State legislature amended existing legislations that created the Louisiana Coastal Protection and Restoration Authority (LCPRA) to add hurricane flood protection to its responsibility. This organization was charged with the duty of providing “one voice” from which to speak on all issues involving coastal restoration and hurricane protection for the State of Louisiana.

It is in this regard the LCPRA executed a Project Partnership Agreement with the U.S. Army Corps of Engineers (COE) on November 6, 2008, to cover the relationship between non-federal interests and the Corps for continued construction of the West Bank and Vicinity Hurricane Protection Project.

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**NOTE F – JOINT VENTURE – WESTBANK HURRICANE PROTECTION LEVEE (CONTINUED)**

In this agreement, the State agreed to provide for the 35% required nonfederal match needed for the project. Thus, the COE (federal agent) and the LCPRA (state agent) are now responsible for all construction, repairs, and expropriations related to this levee system. The Southeast Louisiana Flood Protection Authority – West (West Authority) through its West Jefferson Levee District accepted the responsibility of managing the duties of land acquisition and relocation of impacted utilities/facilities.

The cost of this activity is being borne by the LCPRA through the payment of reimbursable items as submitted by the West Jefferson Levee District. During fiscal year 2016, the WJLD expended \$1,051,022 on surveys, abstracts, appraisals and other legal costs associated with land acquisitions for this project in the WJLD Westbank Hurricane Protection Levee Capital Project Fund. Of this amount, \$167,270 was reimbursed through the LCPRA under State Project No. 750-99-0102.

It should be noted that since these post-Katrina projects essentially replaced or greatly improved upon the original Westbank Hurricane Levee system constructed by the COE and the WJLD, the original infrastructure assets capitalized by WJLD were removed from the books of the West Authority in FY 2011.

**NOTE G – OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The West Jefferson Levee District's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region.

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB Codification Section P50) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed to apply to 50% of retirees after Medicare eligibility for purposes of this valuation. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana State Employees' Retirement System (LASERS), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. Employees hired on or after July 1, 2006 may not retire before age 60 and 10 years of service.

Life insurance coverage under the OGB program is available to retirees by election and is based on the OGB blended rate (active and retired). The employer pays 50% of the cost of the retiree life insurance. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.



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NOTE G – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Contribution Rates**

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents of the OGB.

**Funding Policy**

Until 2008, the West Authority recognized the cost of providing post-employment medical and life benefits (the West Authority's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you go basis. Effective with the fiscal year beginning July 1, 2008, the West Authority implemented Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In 2016 and 2015, the West Authority's portion of health care and life insurance funding cost for retired employees totaled \$135,985 (SLFPA-W and WJLD combined) and \$108,502, respectively. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the following table.

**Annual Required Contribution**

The West Authority's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for 2016 and 2015 is \$399,921 and \$373,993, as set forth below:

	<b>2016</b>	<b>2015</b>
Normal cost	\$ 146,125	\$ 139,914
30-year UAL amortization amount	253,796	234,079
Annual required contribution (ARC)	\$ 399,921	\$ 373,993

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NOTE G – OTHER INFORMATION (CONTINUED)

**Net Post-employment Benefit Obligations (Asset)**

The table below shows the West Authority's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending June 30:

	<b>2016</b>	<b>2015</b>
Beginning Net OPEB Obligation	\$ 1,443,231	\$ 1,199,120
Annual required contribution	399,921	373,993
Interest on Net OPEB Obligation	57,729	47,965
ARC Adjustment	(83,462)	(69,345)
OPEB Cost	374,188	352,613
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(135,985)	(108,502)
Change in Net OPEB Obligation	238,203	244,111
Ending Net OPEB Obligation	\$ 1,681,434	\$ 1,443,231

The following table shows the West Authority's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for this year and last year.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual Cost Contributed</b>	<b>Net OPEB Liability (Asset)</b>
June 30, 2016	\$ 374,188	36.34%	\$ 1,681,434
June 30, 2015	\$ 352,613	30.77%	\$ 1,443,231

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NOTE G – OTHER INFORMATION (CONTINUED)

**Funded Status and Funding Progress** – In 2016, the West Jefferson Levee District made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2013 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2016 was \$4,564,114 which is defined as that portion, as determined by a particular actuarial cost method (the West Jefferson Levee District uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<b>2016</b>
Actuarial Accrued Liability (AAL)	\$ 4,564,114
Actuarial Value of Plan Assets (AVP)	-
Unfunded Act. Accrued Liability (UAAL)	\$ 4,564,114
 Funded Ratio (AVP/AAL)	 0.00%
 Covered Payroll (active plan members)	 \$ 2,323,461
UAAL as a percentage of covered payroll	196.44%

**Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (as understood by the West Authority and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the West Authority and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the West Authority and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

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NOTE G – OTHER INFORMATION (CONTINUED)

**Actuarial Cost Method**

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets**

Since OPEB obligation has not yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoother market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

**Turnover Rate**

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

**Post-employment Benefit Plan Eligibility Requirements**

It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the DROP as described above under the heading “Plan Description”. This consists of a three year DROP period plus an additional two year delay. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana State Employee’s Retirement System (LASERS), whose retirement eligibility (DROP entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. Entitlement to benefits continues through Medicare to death.

**Investment Return Assumption (Discount Rate)**

GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is for a plan which is funded). Based on the assumption that the ARC will not be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

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**NOTE G – OTHER INFORMATION (CONTINUED)**

**Health Care Cost Trend Rate**

The expected rate of increase in medical cost is based on a grading schedule beginning with 8.0% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

**Mortality Rate**

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rate was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains a sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits**

The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the West Authority for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB medical rates provided are “unblended” rates for active and retired as required by GASB 45 for valuation purposes. For current and future retirees after age 65, it has been assumed that 50% elect the OGB Medicare Advantage program and 50% elect the standard OGB post-65 program.

**Inflation Rate**

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates noted above is an implicit inflation assumption of 2.50% annually.

**Projected Salary Increase**

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases**

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

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NOTE G – OTHER INFORMATION (CONTINUED)

**OPEB Costs and Contributions – Last Three Fiscal Years**

Listed in the table below is a summary of OPEB costs and contributions for the last three fiscal years.

	OPEB Costs and Contributions		
	FY 2014	FY 2015	FY 2016
OPEB Cost	\$ 342,545	\$ 352,613	\$ 374,188
Contribution	0	0	0
Retiree premium	100,465	108,502	135,985
Total contribution and premium	<u>100,465</u>	<u>108,502</u>	<u>135,985</u>
Change in net OPEB obligation	\$ <u>242,080</u>	\$ <u>244,111</u>	\$ <u>238,203</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	29.33%	30.77%	36.34%

NOTE H – Pensions

***Pensions***

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

**General Information about the Pension Plan**

***Plan Description***

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

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NOTE H – Pensions (Continued)

***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.

**1. Retirement**

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

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

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

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.

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NOTE H – Pensions (Continued)

**2. 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.

**3. Disability Benefits**

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

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

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

**4. 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.



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NOTE H – Pensions (Continued)

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

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

***Contributions***

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2015 for the various plans follow:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular Employees and Appellate Law Clerks			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37.2%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	37.2%
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37.2%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37.2%

The agency's contractually required composite contribution rate for the year ended June 30, 2016 was 37.20% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$725,674 for the year ended June 30, 2016.

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NOTE H – Pensions (Continued)

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

At June 30, 2016, the Employer reported a liability of \$6,468,440 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Agency's proportion was 0.09510%, which was an increase of 0.0443% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Agency recognized pension expense of \$404,753 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$66,629.

At June 30, 2016, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,647	\$ 52,981
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,850
Changes in proportion and differences between Employer contributions and proportionate share of contributions	211,131	32,555
Employer contributions subsequent to the measurement date	725,674	-
Total	\$ 945,452	\$ 91,386

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NOTE H – Pensions (Continued)

\$725,674 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$	(97,140)
2018	\$	(44,158)
2019	\$	(48,482)
2020	\$	139,596

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NOTE H – Pensions (Continued)

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 are as follows:

<b>Valuation Date</b>	June 30, 2015
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	3 years.
<b>Investment Rate of Return</b>	7.75% per annum.
<b>Inflation Rate</b>	3.0% per annum.
<b>Mortality</b>	<p><b>Non-disabled members</b> - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.</p> <p><b>Disabled members</b> – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
<b>Salary Increases</b>	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<b>Member Type</b>	<b>Lower Range</b>	<b>Upper Range</b>
Regular	4.0%	13.0%
Judges	3.0%	5.5%
Corrections	3.6%	14.5%
Hazardous Duty	3.6%	14.5%
Wildlife	3.6%	14.5%

<b>Cost of Living Adjustments</b>	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.
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NOTE H – Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. 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, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation<sup>1</sup></b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	0%	0.24%
Domestic equity	27%	4.56%
International equity	30%	5.67%
Domestic Fixed Income	10%	2.24%
International Fixed Income	2%	3.64%
Alternative Investments	24%	7.82%
Global Asset Allocation	7%	3.70%
Total	100%	5.66%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75%. 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 – WEST  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE H – Pensions (Continued)

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (8.75%) than the current rate:

	<b>1.0% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1.0% Increase (8.75%)</b>
Employer's proportionate share of the net pension liability	\$ 8,164,567	\$ 6,468,440	\$ 5,028,013

NOTE I – SUBSEQUENT EVENTS

Management has evaluated events through August 29, 2016, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

GENERAL FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	GAAP Actual	Budgetary	Budgetary	Final	Variance With	Original
EXPENDITURES						
CURRENT						
PUBLIC WORKS						
EXECUTIVE						
Commissioners' per diem	\$ 46,416	\$ -	\$ 46,416	\$ 49,500	\$ 3,084	\$ 40,000
Travel	18,165	-	18,165	20,000	1,835	20,000
Payroll taxes	6	-	6	15	9	15
Official journal	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-
Professional services	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Accounting and auditing	-	-	-	-	-	-
IT	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Executive	64,587	-	64,587	69,515	4,928	60,015
ADMINISTRATIVE						
Salaries	1,403,188	-	1,403,188	1,571,455	168,267	226,611
Health and life insurance	342,466	-	342,466	413,293	70,827	37,610
Retirement	408,720	-	408,720	624,691	215,971	73,139
Deferred compensation match	29,064	-	29,064	31,874	2,810	4,352
Payroll taxes	16,581	-	16,581	23,549	6,968	2,851
Employee physicals and testing	3,464	-	3,464	2,000	(1,464)	-
Employee Uniform	7,516	-	7,516	-	(7,516)	-
Travel	83	-	83	-	(83)	-
Postage	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Internet	-	-	-	-	-	-
Equipmental rental	-	-	-	-	-	-
Total Administrative	2,211,082	-	2,211,082	2,666,862	455,780	344,563
MAINTENANCE						
Utilities	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Total Maintenance	-	-	-	-	-	-
NON-DEPARTMENTAL						
Insurance premiums	-	-	-	-	-	-
CAPITAL OUTLAY						
Property, plans and equipment	-	-	-	-	-	-
Levee construction projects	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,275,669	\$ -	\$ 2,275,669	\$ 2,736,377	\$ 460,708	\$ 404,578

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA  
  
WEST JEFFERSON LEVEE DISTRICT  
OPERATIONS AND MAINTENANCE-SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES-BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
REVENUES						
Taxes						
Property taxes	\$ 5,125,850	\$ -	\$ 5,125,850	\$ 5,178,296	\$ (52,446)	\$ 5,178,296
Intergovernmental						
FEMA Reimbursements	-	-	-	-	-	-
State Revenue Sharing	361,129	-	361,129	361,129	-	463,420
SELFPA-W Admin Fee	-	-	-	-	-	-
	361,129	-	361,129	361,129	-	463,420
Service charges, fees and commissions						
Oil & gas royalties	5,497	-	5,497	5,497	-	30,926
Permit fees	15,350	-	15,350	15,400	(50)	2,000
	20,847	-	20,847	20,897	(50)	32,926
Interest						
Interest income	112,842		112,842	111,060	1,782	10,000
Miscellaneous	9,264	-	9,264	9,300	(36)	2,000
TOTAL REVENUES	\$ 5,629,932	\$ -	\$ 5,629,932	\$ 5,680,682	\$ (50,750)	\$ 5,686,642

The accompanying notes are an integral part of this schedule.



SOUTHEAST LOUISIANA FLOOD PROTECTION-WEST  
STATE OF LOUISIANA  
WEST JEFFERSON LEVEE DISTRICT  
OPERATIONS AND MAINTENANCE-SPECIAL REVENUE FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
EXPENDITURES						
CURRENT						
PUBLIC WORKS						
EXECUTIVE						
Dues and subscriptions	\$ 11,019	\$ -	\$ 11,019	\$ 11,139	\$ 120	\$ 9,548
Official Journal	4,052	-	4,052	6,365	2,313	6,365
Professional services						
Legal	369,507	-	369,507	394,645	25,138	143,213
Governmental Affairs	24,505	-	24,505	26,733	2,228	26,733
Public Information	96,602	-	96,602	98,658	2,056	50,920
Accounting and auditing	7,654	-	7,654	7,702	48	7,702
Information Technology	59,714	-	59,714	73,198	13,484	73,198
Other consultants	42,961	-	42,961	75,107	32,146	63,650
Total Executive	616,014	-	616,014	693,547	77,533	381,328
ADMINISTRATIVE						
Salaries	142,383	-	142,383	131,251	(11,132)	447,213
Health and life insurance	33,710	-	33,710	35,810	2,100	38,629
Retirement	57,554	-	57,554	57,554	-	166,363
Deferred compensation match	4,419	-	4,419	4,419	-	12,376
Payroll taxes	2,284	-	2,284	2,284	-	6,485
Worker's compensation	4,235	-	4,235	4,235	-	4,646
Civil service fees	4,567	-	4,567	12,802	8,235	9,650
Travel	659	-	659	2,500	1,841	2,500
Employee certifications	6,986	-	6,986	11,139	4,153	12,730
Postage	-	-	-	-	-	-
IT Software, licenses, accessories	58,631	-	58,631	60,468	1,837	44,555
Office supplies	11,320	-	11,320	17,186	5,866	18,459
Repairs and maintenance						
Buildings	14,557	-	14,557	133,665	119,108	133,665
Small Furniture Equipment	3,239	-	3,239	12,730	9,491	12,730
Internet and Maintenance Services	37,275	-	37,275	49,647	12,372	48,374
Property and equipment rental	-	-	-	-	-	-
Total Administrative	381,819	-	381,819	535,690	153,871	958,374
MAINTENANCE						
Salaries	885,099	-	885,099	882,237	(2,862)	1,891,119
Health and life insurance	328,034	-	328,034	297,766	(30,268)	625,250
Retirement	259,400	-	259,400	259,400	-	702,142
Deferred compensation match	23,086	-	23,086	23,086	-	36,504
Payroll taxes	10,593	-	10,593	10,925	332	27,421
Worker's compensation	38,117	-	38,117	38,117	-	41,813
Unemployment insurance	1,101	-	1,101	-	(1,101)	-
Uniforms	14,333	-	14,333	22,000	7,667	22,745
Employee physicals and testing	3,344	-	3,344	10,000	6,656	6,904
Travel	53	-	53	2,500	2,447	2,500
Repairs and maintenance						
Buildings	24,135	-	24,135	44,555	20,420	44,555
Insurance-vehicles	38,532	-	38,532	38,486	(46)	38,190
Utilities	54,427	-	54,427	54,552	125	43,919
Property and equipment rental	16,183	-	16,183	19,095	2,912	19,095
Parts and supplies	66,815	-	66,815	66,833	18	54,103
Outside repairs/inspections	41,601	-	41,601	41,691	90	38,190
Small tools and equipment	8,300	-	8,300	9,548	1,248	9,548
Fuel Purchases/Oil	63,027	-	63,027	108,842	45,815	114,888
Other consultants	-	-	-	-	-	-
Levee maintenance & repair	82,876	-	82,876	110,751	27,875	127,300
General supplies	16,174	-	16,174	15,913	(261)	15,913
Total Maintenance	1,975,230	-	1,975,230	2,056,297	81,067	3,862,097
NON-DEPARTMENTAL						
Insurance premiums	180,685	-	180,685	180,685	-	176,451
Ad valorem tax withholdings and commissions						
Assessor	70,060	-	70,060	72,625	2,565	72,625
Sheriff	2,498	-	2,498	3,551	1,053	3,551
State retirement systems	158,797	-	158,797	161,111	2,314	161,111
Total Non-Departmental	412,040	-	412,040	417,972	5,932	413,738
CAPITAL OUTLAY						
Property, plant and equipment	207,016	-	207,016	363,000	155,984	408,000
Levee construction projects	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,592,119	\$ -	\$ 3,592,119	\$ 4,066,506	\$ 474,387	\$ 6,023,537

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

ALGIERS LEVEE DISTRICT  
OPERATIONS AND MAINTENANCE-SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES-BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2016

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
REVENUES						
Taxes						
Property taxes	\$ 2,596,759	\$ -	\$ 2,596,759	\$ 2,565,906	\$ 30,853	\$ 1,230,979
Intergovernmental						
State Revenue Sharing	89,759	-	89,759	89,759	-	92,251
SELFPA-W Admin Fee	-	-	-	-	-	-
Federal or State Grants	-	-	-	-	-	-
	89,759	-	89,759	89,759	-	92,251
Service charges, fees and commissions						
Oil & gas royalties	-	-	-	-	-	-
Permit fees	3,850	-	3,850	3,900	(50)	2,000
	3,850	-	3,850	3,900	(50)	2,000
Interest						
Interest income	46,288	-	46,288	45,912	376	4,500
Miscellaneous	23,000	-	23,000	23,500	(500)	1,500
TOTAL REVENUES	\$ 2,759,656	\$ -	\$ 2,759,656	\$ 2,728,977	\$ 30,679	\$ 1,331,231

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

ALGIERS LEVEE DISTRICT  
OPERATIONS AND MAINTENANCE-SPECIAL REVENUE FUND  
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2015

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
EXPENDITURES						
CURRENT						
PUBLIC WORKS						
EXECUTIVE						
Official journal	\$ 1,464	\$ -	\$ 1,464	\$ 3,635	2,171	\$ 3,635
Dues and subscriptions	6,163	-	6,163	6,361	198	5,453
Professional services						
Legal	216,617	-	216,617	231,788	15,171	81,788
Governmental Affairs	12,723	-	12,723	15,267	2,544	15,267
Public Information	55,118	-	55,118	56,343	1,225	29,080
Accounting and auditing	4,371	-	4,371	4,398	27	4,398
Information Technology	34,102	-	34,102	41,803	7,701	41,803
Consultants	18,224	-	18,224	42,893	24,669	36,350
Total Executive	348,782	-	348,782	402,488	53,706	217,773
ADMINISTRATIVE						
Office supplies	6,650	-	6,650	9,815	3,165	10,542
Employee Certifications	3,875	-	3,875	6,361	2,486	7,270
IT Software, licenses, accessories	30,763	-	30,763	95,000	64,237	70,000
Repairs and maintenance						
Buildings	1,918	-	1,918	18,175	16,257	18,175
Small Furniture Equipment	1,850	-	1,850	7,270	5,420	7,270
Internet and Maintenance Services	20,565	-	20,565	28,353	7,788	27,626
Total Administrative	65,621	-	65,621	164,974	99,353	140,883
MAINTENANCE						
Repairs and maintenance						
Buildings	17,810	-	17,810	83,605	65,795	83,605
Insurance-vehicles	22,005	-	22,005	21,979	(26)	21,810
Utilities	7,564	-	7,564	25,082	17,518	25,082
Property and equipment rental	9,146	-	9,146	10,905	1,759	10,905
Parts and supplies	40,437	-	40,437	38,168	(2,269)	30,898
Outside repairs/inspections	23,666	-	23,666	23,809	143	21,810
Small tools and equipment	2,827	-	2,827	5,453	2,626	5,453
Fuel Purchases/Oil	33,495	-	33,495	62,159	28,664	65,612
Levee maintenance and repair	64,329	-	64,329	63,249	(1,080)	72,700
General Supplies	3,621	-	3,621	9,088	5,467	9,088
Total Maintenance	224,900	-	224,900	343,497	118,597	337,873
NON-DEPARTMENTAL						
Insurance premiums	103,188	-	103,188	72,387	(30,801)	100,770
CAPITAL OUTLAY						
Property, plant and equipment	9,885	-	9,885	13,000	3,115	73,500
Levee construction projects	-	-	-	-	-	-
	9,885	-	9,885	13,000	3,115	73,500
TOTAL EXPENDITURES	\$ 752,376	\$ -	\$ 752,376	\$ 996,346	\$ 243,970	\$ 870,799

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

WEST JEFFERSON LEVEE DISTRICT EMERGENCY FUND-SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY AND GAAP)  
For The Year Ended June 30, 2016

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
REVENUES						
Intergovernmental						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	-
State	-	-	-	-	-	-
Interest	-	(1,387)	1,387	1,400	(13)	-
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	-	(1,387)	1,387	1,400	(13)	-
EXPENDITURES						
MAINTENANCE						
PERSONNEL						
Maintenance	-	-	-	-	-	-
TOTAL PERSONNEL	-	-	-	-	-	-
PROFESSIONAL SERVICES						
Other consultants	-	-	-	-	-	-
TOTAL PROFESSIONAL SERVICES	-	-	-	-	-	-
REPAIRS AND MAINTENANCE						
Maintenance						
Equipment rental	-	-	-	-	-	-
Levee materials	-	-	-	-	-	-
TOTAL REPAIRS AND MAINTENANCE	-	-	-	-	-	-
SUBTOTAL-CURRENT EXPENDITURES	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	(1,387)	1,387	1,400	(13)	-
FUND BALANCE						
Beginning of year	-	(1,542,515)	1,542,515	1,534,367	8,148	-
End of year	\$ -	\$ (1,543,902)	\$ 1,543,902	\$ 1,535,767	\$ 8,135	\$ -

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

ALGIERS LEVEE DISTRICT EMERGENCY FUND-SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY AND GAAP)  
For The Year Ended June 30, 2016

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
REVENUES						
Intergovernmental						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	-
State	-	-	-	-	-	-
Interest	-	(463)	463	475	(12)	-
TOTAL REVENUES	-	(463)	463	475	(12)	-
EXPENDITURES						
MAINTENANCE						
REPAIRS AND MAINTENANCE						
Maintenance						
Building	-	-	-	-	-	-
Outside repairs	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Parts and supplies	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-
Tires	-	-	-	-	-	-
TOTAL REPAIRS AND MAINTENANCE	-	-	-	-	-	-
CAPITAL OUTLAY						
Equipment	-	-	-	-	-	-
Vehicles and heavy equipment	-	-	-	-	-	-
TOTAL CAPITAL OUTLAY	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	(463)	463	475	(12)	-
FUND BALANCE						
Beginning of year	-	(839,133)	839,133	839,314	(181)	-
End of year	\$ -	\$ (839,596)	\$ 839,596	\$ 839,789	\$ (193)	\$ -

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

WESTBANK HURRICANE PROTECTION LEVEE CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY AND GAAP)  
For The Year Ended June 30, 2016

	GAAP Actual	Budgetary GAAP	to Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original	Budget
REVENUES								
Intergovernmental								
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
State	167,270	-	-	167,270	160,500	6,770	-	-
Interest	9,231	-	-	9,231	9,250	(19)	-	-
TOTAL REVENUES	176,501	-	-	176,501	169,750	6,751	-	-
EXPENDITURES								
ADMINISTRATIVE								
Abstract and title	1,050	-	-	1,050	1,050	-	-	-
Appraisal fees	1,750	-	-	1,750	1,750	-	-	-
Attorney Fees	167,021	-	-	167,021	121,000	(46,021)	-	-
Engineering consultant	866,541	-	-	866,541	1,500,000	633,459	-	-
Escrow bank charges	1,000	-	-	1,000	1,000	-	-	-
Other consultant	-	-	-	-	-	-	-	-
Surveying fees	13,660	-	-	13,660	14,000	340	-	-
TOTAL REPAIRS AND MAINTENANCE	1,051,022	-	-	1,051,022	1,638,800	587,778	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(800,000)	-	-	(800,000)	(800,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(800,000)	-	-	(800,000)	(800,000)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(1,674,521)	-	-	(1,674,521)	(2,269,050)	594,529	-	-
FUND BALANCE								
Beginning of year	7,246,141	-	-	7,246,141	7,246,141	-	-	-
End of year	\$ 5,571,620	\$ -	\$ -	\$ 5,571,620	\$ 4,977,091	\$ 594,529	\$ -	-
The accompanying notes are an integral part of this schedule.								

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

WEST CLOSURE COMPLEX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY AND GAAP)  
For The Year Ended June 30, 2016

	GAAP Actual	Budgetary to GAAP Differences	Budgetary Actual	Final Budget	Variance With Final Budget Positive (Negative)	Original Budget
<b>REVENUES</b>						
Intergovernmental						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Maintenance						
Facility, maintenance and repairs	101,892	-	101,892	186,160	84,268	300,000
Legal Counsel	35,956	-	35,956	25,000	(10,956)	-
Operations & Maintenance Contractor	576,751	-	576,751	730,000	153,249	300,000
Electricity - utility	100,695	-	100,695	120,000	19,305	60,000
Outside Repair/Inspection	51,673	-	51,673	120,000	68,327	20,000
Fuel purchases	75,997	-	75,997	150,000	74,003	150,000
TOTAL MAINTENANCE	942,964	-	942,964	1,331,160	388,196	830,000
Non-departmental						
Insurance	13,840	-	13,840	14,044	204	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(956,804)	-	(956,804)	(1,345,204)	388,400	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	939,500	-	939,500	999,000	(59,500)	999,000
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	939,500	-	939,500	999,000	(59,500)	999,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(17,304)	-	(17,304)	(346,204)	328,900	-
<b>FUND BALANCE</b>						
Beginning of year	256,294	-	256,294	256,294	-	-
End of year	\$ 238,990	\$ -	\$ 238,990	\$ (89,910)	\$ 328,900	\$ -

The accompanying notes are an integral part of this schedule.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

SCHEDULE OF COMISSIONERS' PER DIEMS  
For The Year Ended June 30, 2016

NAME	PER DIEM PAID
Edward Cammnetar	\$ 2,551
Paul Dauphin	7,383
Kendall Gaddy	5,279
Kerwin Julien	3,575
Susan Maclay (1)	12,000
Michael Merritt	9,038
Robert Thomas	1,532
Wesley Wilkinson	5,058
	<u>\$ 46,416</u>

1- the President of the Board is paid \$1,000 per month



SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-WEST  
STATE OF LOUISIANA

SCHEDULE OF STATE FUNDING  
For The Year Ended June 30, 2016

<u>DESCRIPTION OF FUNDING</u>	<u>AMOUNT</u>
General Revenues:	
State Revenue Sharing	
West Jefferson Levee District	\$ 361,129
Algiers Levee District	<u>89,759</u>
	<u>\$ 450,888</u>

Southeast Louisiana Flood Protection Authority - West  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended June 30, 2016

Agency Head Name: John Monzon

Purpose	Amount
Salary	\$ 140,565
Benefits - insurance	\$ 15,543
Benefits - retirement	\$ 52,290
Deferred compensation (contributions made by the agency)	\$ 1,768
Benefits - other (pair of shoes)	\$ -
Benefits - other (fuel district vehicle)	\$ -
Car allowance	\$ -
Vehicle provided by government	\$ -
Cell phone	\$ 840
Dues	\$ 245
Vehicle rental	\$ -
Per diem	\$ -
Reimbursements	\$ 100
Travel	\$ 48
Registration fees	\$ -
Conference travel	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -
Other	\$ -

Southeast Louisiana Flood Protection Authority - West  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2016

	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.09510%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,468,440
Employer's Covered-Employee Payroll	\$ 1,805,003
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	358.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.7%

The amounts presented have a measurement date of the previous fiscal year end.

Southeast Louisiana Flood Protection Authority - West  
Schedule of Employer Contributions  
For the Year Ended June 30, 2016

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	\$ 671,461	\$ 725,674	\$ (54,213)	\$ 1,805,003	40.20%
2015	\$ 621,437	\$ 642,261	\$ (20,824)	\$ 1,670,530	38.45%

Notes to Required Supplementary Information  
For the Year Ended June 30, 2016

**Changes in Benefit Terms include:**

There were no changes of benefit terms for the year ended June 30, 2016.

**Changes of Assumptions**

There were no changes of benefit assumptions for the year ended June 30, 2016.



**Broussard & Company**  
Certified Public Accountants

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

Board of Commissioners  
Southeast Louisiana Flood Protection Authority – West  
Marrero, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Caddo Levee District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 29, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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.

*Broussard and Company*

Lake Charles, Louisiana

August 29, 2016

SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
State of Louisiana

SCHEDULE OF FINDINGS AND RESPONSES  
For the Fiscal Year Ended June 30, 2016

We have audited the financial statements of the Southeast Louisiana Flood Protection Authority – West (the “West Authority”), a component unit of the State of Louisiana, as of and for the year ended June 30, 2016, and have issued my report thereon dated August 29, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**A. Summary of Auditor’s Results**

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Southeast Louisiana Flood Protection Authority – West (the “West Authority”) for the year ended June 30, 2016.
2. Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with *Government Auditing Standards*.
  - No significant deficiencies were noted.
  - No material weaknesses were noted.
  - No instances of noncompliance material to the financial statements were noted.
3. The West Authority was not subject to a Single Audit under OMB Circular A-133.
4. No separate written management letter was issued for the year ended June 30, 2016.

SOUTHEAST LOUISIANA  
FLOOD PROTECTION AUTHORITY – WEST  
State of Louisiana

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
For the Fiscal Year Ended June 30, 2016

**B. Financial Statement Findings**

There were no findings for the year ended June 30, 2016.

**C. Federal Award Findings and Questioned Costs**

Not Applicable

**D. Status of Prior Year Findings and Questioned Costs**

The status of findings and questioned costs noted in the prior year are as follows:

Findings Related to the Financial Audit

Prior Year Comment No.	Description	Status
SD 15-01	Preparation of financial statements by External Auditor	Resolved. The financial statements as of and for the year ending June 30, 2016 were prepared by the West Authority's Accountant.

Findings and Questioned Costs – Major Federal Award Programs Audit

Not Applicable

**E. Status of Prior Year Management Letter Comments**

Not Applicable



# ANNUAL FISCAL REPORT (AFR) FOR 2016

**AGENCY:** 20-28-02 - Southeast Louisiana Flood Protection Authority - West

**PREPARED BY:** Michael DeFalco

**PHONE NUMBER:** 337-439-6600

**EMAIL ADDRESS:** Mike.defalco@bc-cpa.com

**SUBMITTAL DATE:** 08/29/2016 09:40 AM

## STATEMENT OF NET POSITION

### ASSETS

#### CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	22,468,768.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	1,385,910.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
<b>TOTAL CURRENT ASSETS</b>	<b>\$23,854,678.00</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	5,787,724.00
BUILDINGS AND IMPROVEMENTS	1,414,240.00
MACHINERY AND EQUIPMENT	1,514,995.00
INFRASTRUCTURE	0.00
INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	0.00
OTHER NONCURRENT ASSETS	0.00
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$8,716,959.00</b>
<b>TOTAL ASSETS</b>	<b>\$32,571,637.00</b>

#### DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES	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 (TRANSFeree)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
FEES PAID TO PERMANENT INVESTORS PRIOR TO SALE OF MORTGAGE LOANS	0.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	945,452.00

<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$945,452.00</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$33,517,089.00</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
ACCOUNTS PAYABLE AND ACCRUALS	172,015.00
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	0.00
OTHER CURRENT LIABILITIES	0.00
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$172,015.00</b>
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	232,793.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
NET OPEB OBLIGATION	1,681,434.00
NET PENSION LIABILITY	6,468,440.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$8,382,667.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$8,554,682.00</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES	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
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	91,386.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$91,386.00</b>
<b>NET POSITION:</b>	
NET INVESTMENT IN CAPITAL ASSETS	8,716,959.00
RESTRICTED FOR:	
CAPITAL PROJECTS	531,169.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$15,622,893.00
<b>TOTAL NET POSITION</b>	<b>\$24,871,021.00</b>

# STATEMENT OF ACTIVITIES

## PROGRAM REVENUES

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
9,759,959.00	0.00	0.00	0.00	<b>\$(9,759,959.00)</b>

## GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	618,158.00
OTHER	10,118,897.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
<b>CHANGE IN NET POSITION</b>	<b>\$977,096.00</b>
NET POSITION - BEGINNING	<b>\$23,893,925.00</b>
NET POSITION - RESTATEMENT	0.00
<b>NET POSITION - ENDING</b>	<b>\$24,871,021.00</b>

# DUES NOTES

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

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

**FUND BALANCE/NET POSITION RESTATEMENT**

Account Name/Description	Restatement Amount
Total	\$0.00