SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

CRI CARR RIGGS & INGRAM
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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Southeast Louisiana Flood Protection Authority – East and
Non-Flood Protection Asset Management Board
New Orleans, Louisiana

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority – East (the Authority), as of and for the year ended June 30, 2016, and the related notes to the combined financial statements, which collectively comprise the Authority's basic combined financial statements as listed in the table of contents.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the governmental activities, the combined business-type activities, each major fund, and the aggregate remaining fund information of the Southeast Louisiana Flood Protection Authority – East as of June 30, 2016 and the respective changes in the combined financial position and, where applicable, the combined cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, combined budgetary comparison information on page 63, Schedule of Proportionate Share of Net Pension Liability for Louisiana State Employees' Retirement System on page 64, and Schedule of Contributions to Louisiana State Employees' Retirement System on page 65 are presented to supplement the basic combined financial statements. Such information, although not part of the basic combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements, and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the combined financial statements that collectively comprise the Authority's basic combined financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Annual Fiscal Report to the Office of the Governor, as required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, are presented for purposes of additional analysis and are not a required part of the basic combined financial statements.

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

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 16, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

September 16, 2016

The Management's Discussion and Analysis of the Southeast Louisiana Flood Protection Authority – East (the Authority) presents a narrative overview and analysis of the Authority's financial results for the year ended June 30, 2016. This document focuses on the current year's activities, resulting changes, and currently known facts relating to the following five (5) organizations:

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

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

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

Overview of the Combined Financial Statements

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

Government-wide Financial Statements

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

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

The government-wide financial statements distinguish function of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The "governmental activities" includes most of the Authority's basic services such as infrastructure and public works, and general government. Property taxes and operating grants finance most of this activity. The vast majority of "governmental activities" are related to flood protection and are controlled and managed by the Southeast Louisiana Flood Protection Authority – East. "Governmental activities" unrelated to flood control are controlled and managed by the Non-Flood Protection Asset Management Authority.

The "business-type activities" reflect operations that are financed and operated in a manner similar to private businesses where the entity charges a fee for services it provides. The Orleans Levee District's marinas, airport, and business park are included here. All "business type activities" are associated with the Orleans Levee District (Non-Flood Division) and are controlled and managed by the Non-Flood Protection Asset Management Authority.

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

Fund Financial Statements

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

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

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

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

The Southeast Louisiana Flood Protection Authority – East Board of Commissioners and the Non-Flood Protection Asset Management Authority Board adopt annual budgets for all of its General Funds and Improvement Funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget

Notes to the Financial Statements

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

Basic Combined Financial Statements

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

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

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

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

Financial Highlights

Condensed Statement of Net Position

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

	Governmental		**Business-Type**		**Total**	
(In Thousands)	**2016**	2015	**2016**	2015	**2016**	2015
Current and other assets	**$ 165,435**	$ 147,908	**$ 6,101**	$ 7,400	**$ 171,536**	$ 155,308
Capital assets	**154,123**	146,175	**97,763**	101,077	**251,886**	247,252
Total assets	**319,558**	294,083	**103,864**	108,477	**423,422**	402,560
Deferred outflows	**4,324**	5,093	**299**	395	**4,623**	5,488
Current liabilities	**5,165**	6,639	**82**	191	**5,247**	6,830
Noncurrent liabilities	**77,066**	72,499	**3,131**	3,138	**80,197**	75,637
Total liabilities	**82,231**	79,138	**3,213**	3,329	**85,444**	82,467
Deferred inflows	**675**	4,449	**665**	990	**1,340**	5,439
Net position						
Net Investment capital assets	**154,123**	146,175	**97,763**	101,077	**251,886**	247,252
Restricted	**2,061**	2,056	**-**	-	**2,061**	2,056
Unrestricted	**84,792**	67,358	**2,522**	3,476	**87,314**	70,834
Total net position	**$ 240,976**	$ 215,589	**$ 100,285**	$ 104,553	**$ 341,261**	$ 320,142

- The Authority's total net position at the close of fiscal year 2016 was $341.2 million compared with net position a year earlier of $320.1 million, a 6.59% favorable change and $21.1 million increase.
- The Authority's total net position for the governmental funds at the close of fiscal year 2016 was $240.98 million compared with net position a year earlier of $215.58 million, an 11.78% favorable change and $25.40 million increase. Significant contributors to the $25.40 million increase in net position included a $17.5 million increase in current assets and a $7.9 million increase in capital assets. OLD capital assets increased by $13.9 million mostly due to improvements of $7.8 million, along the Seawall for Reaches 1, 4, & 5, which helps prevent soil erosion that supports the Seawall.
- LBBLD saw a significant increase in its net position due to an $800,000 acquisition of land in the Parish.
- Orleans Levee District (Non-Flood Division) Proprietary Assets, managed and controlled by the Non-Flood Asset Management Authority, were reduced by significant depreciation taken in the current year.

Condensed Statement of Activities and Changes in Net Position

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

	Governmental		**Business-Type**		**Total**	
(In Thousands)	**2016**	2015	**2016**	2015	**2016**	2015
Program revenues	**$ 2,661**	$ 3,396	**$ 4,579**	$ 6,648	**$ 7,240**	$ 10,044
Program expenses	**(35,994)**	(37,961)	**(9,375)**	(8,552)	**(45,369)**	(46,513)
Program loss	**(33,333)**	(34,565)	**(4,796)**	(1,904)	**(38,129)**	(36,469)
General revenues	**60,424**	51,112	**528**	498	**60,952**	51,610
Transfers out	**(1,704)**	(142)	**-**	-	**(1,704)**	(142)
Change in net position	**$ 25,387**	$ 16,405	**$ (4,268)**	$ (1,406)	**$ 21,119**	$ 14,999

- Total program revenue decreased by $2.8 million and total governmental program revenue decreased by $735 thousand. Total general revenues less transfers out increased by $7.78 million and total governmental general revenues less transfers out increased by $7.75 million mostly as a result of a settlement of a claim with British Petroleum in the current year.
- General revenues at OLD increased by $3 million. $2.9 million of this increase was due to an increase in tax revenue and $194 thousand was due to an increase in interest income. Rental income decreased by $81,000.
- Non-Flood Proprietary Fund Program revenues managed and controlled by the Non-Flood Asset Management Authority decreased by $2.1 million due to a decrease in Federal Emergency Management Agency (FEMA) revenues and as a result of a write off of old receivables considered to be uncollectable. In addition, expenses were greater in the

current year as many capital projects came on line and depreciation was increased approximately $1.5 million.

Capital Assets

The following table lists the capital assets, net of depreciation, of the Authority at the end of the current and prior fiscal years:

	Governmental		Business-Type		Total	
(In Thousands)	**2016**	2015	**2016**	2015	**2016**	2015
Land	**$ 14,892**	$ 14,072	**$ 22,055**	$ 22,055	**$ 36,947**	$ 36,127
Buildings and improvements	**25,408**	10,564	**75,554**	76,013	**100,963**	86,577
Moveable property	**3,259**	3,057	**81**	101	**3,340**	3,158
Infrastructure	**88,883**	85,274	**71**	90	**88,954**	85,364
Construction in Progress	**21,681**	33,208	**-**	2,818	**21,681**	36,026
Total	**$ 154,123**	$ 146,175	**$ 97,761**	$ 101,077	**$ 251,885**	$ 247,252

Governmental total fixed assets increased by $7.9 million. OLD increased its improvements by $13.9 million. The majority of the increase was due to improvements of $7.8 million, along the Sewall for Reaches 1, 4, & 5, which helps prevent soil erosion that supports the Seawall. Other capital improvements, costing a total of $6.1 million, are as follows:

- Citrus Levee Slope Paving - needed to correct unsafe steep slope conditions for tractors.
- Franklin Administration Building Renovation – updated the air conditioning system and switched to LED energy efficient lights.
- Lakefront Levee Grading - needed to drain off standing water at the levee toes.
- Miss River Stop-Logs Improvement - needed to switch concrete log material to aluminum.
- Floodgates/Floodwalls Repair -needed to replace 69 rubber seals for the floodgates/floodwalls.

Construction in progress for OLD decreased by $2.9 million mainly due to the completion of work related to erosion control on Lake Ponchartrain.

Non- Flood Proprietary assets which are managed and controlled by the Non-Flood Asset Management Authority were brought online during the current year and began being depreciated leading to the significant decrease in overall capital assets for the Non-Flood proprietary funds.

Long-Term Obligations

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

	Governmental		Business-Type		Total	
(In Thousands)	**2016**	2015	**2016**	2015	**2016**	2015
Accrued compensated absences	**$ 1,006**	$ 1,026	**$ 98**	$ 105	**$ 1,104**	$ 1,131
Accrued interest payable	**5,416**	4,449	**-**	-	**5,416**	4,449
Notes payable	**26,126**	26,126	**-**	-	**26,126**	26,126
Judgments and legal claims payable	**-**	525	**-**	-	**-**	525
Post-employment benefit liability	**12,137**	11,540	**797**	779	**12,934**	12,319
Pension liability	**32,381**	29,385	**2,236**	2,279	**34,617**	31,664
Total	**$ 77,066**	$ 73,051	**$ 3,131**	$ 3,163	**$ 80,197**	$ 76,214
Deferred Inflows						
Revenue	**$ 36**	$ 36	**$ 621**	$ 648	**$ 657**	$ 684
Pension	**639**	4,413	**44**	342	**683**	4,755
Total	**$ 675**	$ 4,449	**$ 665**	$ 991	**$ 1,340**	$ 5,439

- Governmental Long Term Obligations before Deferred Inflows increased by $4.02 million. The majority of the increase is due to $2.6 million increase in pension liability, $597 thousand increase in post-employment liability, and $967 thousand increase in accrued interest payable.
- The Authority continues to petition the State for forgiveness of the $26 million Community Development Block Grant loan as no current funds are available from Proprietary income to retire the debt.
- The $34 million pension liability represents a current recognition of future benefit obligations for which the Authority is responsible.

Variations between Budgeted and Actual Results

Revenues

The LBBLD's original budget was $3,771,600 in revenues and the revised budget was $4,429,100 reflecting capital outlays and major maintenance funded by grant revenue. Actual results yielded an increase of $823,707 to the original budget and an increase of $166,208 to the amended budget mainly due to the increase in governmental revenues. The OLD's budget was $20,103,900 for the General Fund and $18,069,800 for the SLIP Fund. The OLD budget was not revised. Actual results for the General Fund yielded an increase of $177,887 to the original budget primarily because of an increase in ad valorem taxes. Actual results of the SLIP fund, was an increase of $328,798 primarily due to an increase in tax revenue. The EJLD's budget was $9,928,000. Actual results yielded amounts comparable to the amended budget with a change of $504,895. The Authority's original budget called for a total of $1,701,500, while the amended budget had revenues of $1,701,500 plus net revenues from other sources of $6,251,503. The additional revenues were the result of a settled lawsuit on behalf of the Authority. NFPAMA's original budget called for a total of $7,377,477 in revenues. The NFPAMA's budget was not amended.

Expenditures

The LBBLD's original budget was $3,771,600 in expenditures while the amended budget was $4,629,100, with the majority of the difference due to increases in major capital improvement. The actual results yielded an unfavorable variance to the amended budget of approximately $100,000. The EJLD's l budget was $9,928,000 and actual results yielded a favorable variance of $3,332,094 from the budget mainly due to delays in the construction. The Authority's original budget called for a total of $1,701,500 while the amended budget increased to $2,022,222 an increase of $320,722 mainly due an increase in leasehold improvements. The OLD's budget was $16,910,050 for the General Fund and $29,950,000 for the Slip Fund. The budget for OLD was not revised. Variances for OLD and SLIP was approximately $17 million as delays in many projects caused overall spending for these to be less than what was budgeted. NFPAMA's original budget called for a total of $7,377,477 in expenses. The NFPAMA's budget was not amended. Combined variances in the final budget amounts and actual results are shown in the combined statement of revenues, expenditures, and changes in fund balances – budget and actual – governmental funds on Schedule 1.

All original budgets were adopted on March 19, 2015. The amended budgets for Authority GF and LBBLD were adopted on May 12, 2016. The EJLD and OLD did not amend their budgets during the fiscal year.

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

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

- Changes in organization processes
- Necessary major maintenance and project expenditures
- Increased maintenance of completed U.S. Army Corps of Engineers projects
- Need for additional personnel and higher operating costs due to the additional responsibilities vested in the Authority

Contacting the Authority's Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority at New Orleans Lakefront Airport, Terminal Building, Suite 225, 6001 Stars & Stripes Blvd., New Orleans, Louisiana 70126 or the Non-Flood Protection Asset Management Authority at 6514 Spanish Fort Blvd., New Orleans, LA 70124.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF NET POSITION
STATEMENT A

As of June 30, **2016**

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and cash equivalents	$ 14,806,571	$ -	$ 14,806,571
Investments	142,179,987	-	142,179,987
Receivables	2,749,125	514,568	3,263,693
Due from other funds, net	(5,266,409)	5,266,409	-
Due from other governments	955,158	259,316	1,214,474
Inventory	416,142	-	416,142
Other assets	521,204	60,899	582,103
Restricted investments	9,073,643	-	9,073,643
Total Current Assets	165,435,421	6,101,192	171,536,613
NONCURRENT ASSETS			
Capital assets			
Land	14,892,002	22,054,735	36,946,737
Other capital assets, net of depreciation	139,231,260	75,707,899	214,939,159
Total Noncurrent Assets	154,123,262	97,762,634	251,885,896
Total Assets	319,558,683	103,863,826	423,422,509
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	4,324,398	298,599	4,622,997
Total Deferred Outflows of Resources	4,324,398	298,599	4,622,997
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	1,568,827	54,410	1,623,237
Contracts payable	1,220,659	-	1,220,659
Accrued compensated absences	52,022	26,011	78,033
Judgement and claims payable due in less than one year	100,000	-	100,000
Due to other agencies	2,223,609	-	2,223,609
Other liabilities	-	1,769	1,769
Total Current Liabilities	5,165,117	82,190	5,247,307
NONCURRENT LIABILITIES			
Accrued compensated absences	1,006,421	98,212	1,104,633
Accrued interest payable	5,416,378	-	5,416,378
Note payable due in more than one year	26,125,671	-	26,125,671
Post-employment benefit liability	12,137,453	796,674	12,934,127
Net pension liability	32,380,994	2,235,901	34,616,895
Total Noncurrent Liabilities	77,066,917	3,130,787	80,197,704
Total Liabilities	82,232,034	3,212,977	85,445,011
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	36,177	620,577	656,754
Pension deferrals	638,660	44,099	682,759
Total Deferred Inflows of Resources	674,837	664,676	1,339,513
NET POSITION			
Net investment in capital assets	154,123,262	97,762,634	251,885,896
Restricted for:			
Debt service	2,060,554	-	2,060,554
Unrestricted	84,792,394	2,522,138	87,314,532
TOTAL NET POSITION	**$ 240,976,210**	**$ 100,284,772**	**$ 341,260,982**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF ACTIVITIES
STATEMENT B

For the year ended June 30,							2016
		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
GOVERNMENTAL ACTIVITIES							
Flood and drainage protection	$ 35,026,695	$ 161,543	$ 840,345	$ 1,659,131	$ (32,365,676)	$ -	$ (32,365,676)
Interest	967,547	-	-	-	(967,547)	-	(967,547)
Total Governmental Activities	35,994,242	161,543	840,345	1,659,131	(33,333,223)	-	(33,333,223)
BUSINESS-TYPE ACTIVITIES							
Lakefront Airport	6,143,199	2,301,841	-	(265,756)	-	(4,107,114)	(4,107,114)
South Shore Harbor Marina	2,086,454	525,540	-	(158,021)	-	(1,718,935)	(1,718,935)
Non-major funds	1,145,149	2,210,350	-	(34,903)	-	1,030,298	1,030,298
Total Business-type Activities	9,374,802	5,037,731	-	(458,680)	-	(4,795,751)	(4,795,751)
TOTAL	**$ 45,369,044**	**$ 5,199,274**	**$ 840,345**	**$ 1,200,451**	**(33,333,223)**	**(4,795,751)**	**(38,128,974)**
		GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS					
		General Revenues					
		Property taxes			49,969,481	-	49,969,481
		Unrestricted intergovernmental revenues			1,623,043	-	1,623,043
		Unrestricted investment earnings			1,309,761	-	1,309,761
		Miscellaneous income			498,129	527,829	1,025,958
		Special Items and Transfers					
		Litigation payments			(2,282,563)		(2,282,563)
		BP settlement proceeds			9,306,577	-	9,306,577
		Transfers			(1,703,809)	-	(1,703,809)
		Total General Revenues, Special Items and Transfers			58,720,619	527,829	59,248,448
		CHANGE IN NET POSITION			25,387,396	(4,267,922)	21,119,474
		NET POSITION – Beginning of Year			215,588,814	104,552,694	320,141,508
		NET POSITION – End of Year			**$ 240,976,210**	**$ 100,284,772**	**$ 341,260,982**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
STATEMENT C

As of June 30, **2016**

	Authority General Fund	OLD General Fund	EJLD General Fund	LBBLD General Fund	NFPAMA OLD Real Estate Fund	NFPAMA General Improvement Fund	OLD Slip Fund	LBBLD Capital Project Fund	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 456,167	$ 684,369	$ 9,044,303	$ 3,951,369	$ 149,242	$ -	$ -	$ 521,121	$ 14,806,571
Investments	5,475,356	28,648,979	34,466,823	-	4,106,026	-	69,482,803	-	142,179,987
Receivables	-	1,888,294	1,379	11,519	11,607	-	836,326	-	2,749,125
Due from other funds	154,942	9,179,777	(29,436)	(27,127)	(4,815,973)	(2,661,326)	(1,800,857)	-	-
Due from proprietary funds	-	-	-	-	(5,266,409)	-	-	-	(5,266,409)
Due from other governments	-	-	-	200,082	-	731,376	23,700	-	955,158
Inventory	-	298,991	-	117,151	-	-	-	-	416,142
Restricted investments	-	5,583,494	2,192,000	-	-	-	1,298,149	-	9,073,643
Other assets	46,834	411,357	57,627	-	5,386	-	-	-	521,204
TOTAL ASSETS	**$ 6,133,299**	**$ 46,695,261**	**$ 45,732,696**	**$ 4,252,994**	**$ (5,810,121)**	**$ (1,929,950)**	**$ 69,840,121**	**$ 521,121**	**$ 165,435,421**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE									
LIABILITIES									
Accounts payable	$ 41,448	$ 611,671	$ 244,822	$ 155,756	$ 413,766	$ -	$ 101,364	$ -	$ 1,568,827
Contracts payable	4,855	-	-	-	-	11,137	1,204,667	-	1,220,659
Due to other agencies	-	-	2,192,000	-	-	31,609	-	-	2,223,609
Total Liabilities	46,303	611,671	2,436,822	155,756	413,766	42,746	1,306,031	-	5,013,095
DEFERRED INFLOWS OF RESOURCES– Deferred revenue	-	1,047,349	-	-	-	-	-	-	1,047,349
FUND BALANCES									
Nonspendable									
Prepaid and other assets	46,834	411,357	57,627	-	5,386	-	-	-	521,204
Inventory	-	298,991	-	117,151	-	-	-	-	416,142
Restricted									
Debt service	-	762,405	-	-	-	-	1,298,149	-	2,060,554
Committed									
Employee Benefits	-	4,821,089	-	-	-	-	-	-	4,821,089
Capital assets	-	-	-	-	-	-	34,000,618	-	34,000,618
Assigned	-	-	-	-	-	-	29,271,752	-	29,271,752
Unassigned	6,040,162	38,742,399	43,238,247	3,980,087	(6,229,273)	(1,972,696)	3,963,571	521,121	88,283,618
Total Fund Balances (Deficit)	6,086,996	45,036,241	43,295,874	4,097,238	(6,223,887)	(1,972,696)	68,534,090	521,121	159,374,977
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 6,133,299**	**$ 46,695,261**	**$ 45,732,696**	**$ 4,252,994**	**$ (5,810,121)**	**$ (1,929,950)**	**$ 69,840,121**	**$ 521,121**	**$ 165,435,421**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
RECONCILIATION OF THE
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS TO THE COMBINED STATEMENT OF NET POSITION

As of June 30,		**2016**
TOTAL GOVERNMENTAL FUND BALANCES (Statement C)	$	159,374,977
Amounts reported for governmental activities in the Combined Statement of Net Position are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of $111,645,414		154,123,262
Assets that are not due and receivable within 60 days of year-end and, therefore, and not reported in the funds		1,011,172
Contributions to the pension plan in the current fiscal year, changes in proportion and differences between employers contribtions and proportion of shared contributions are deferred outflows of resources on the statement of net position		4,324,398
Pension related deferrals are deferred inflows of resources on the statement of net position		(638,660)
Liabilities that are not due and payable within 60 days of year-end and, therefore, and not reported in the funds		
Accrued compensated absences		(1,058,443)
Long-term note payable		(26,125,671)
Accrued interest payable		(5,416,378)
Judgments and claims payable		(100,000)
Post-employment benefit liability		(12,137,453)
Net pension liability		(32,380,994)
NET POSITION OF GOVERNMENTAL ACTIVITIES (Statement A)	**$**	**240,976,210**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
STATEMENT D

For the year ended June 30, **2016**

	Authority General Fund	OLD General Fund	EJLD General Fund	LBBLD General Fund	NFPAMA OLD Real Estate Fund	NFPAMA General Improvement Fund	OLD SLIP Fund	LBBLD Capital Projects Fund	Total Governmental Funds
REVENUES									
Taxes	$ -	$ 18,791,228	$ 8,989,369	$ 3,458,042	$ 1,494,030	$ -	$ 18,247,984	$ -	$ 50,980,653
Intergovernmental	-	1,037,206	427,289	158,548	-	-	-	-	1,623,043
Interest earnings	13,505	69,604	1,060,254	5,239	7,939	-	150,614	2,606	1,309,761
Royalties, leases, and permits	-	161,543	-	-	-	-	-	-	161,543
Operating Grants	-	-	50,868	789,477	-	1,659,131	-	-	2,499,476
Payments from subs	1,562,209	-	-	-	-	-	-	-	1,562,209
Other	228	224,058	127,866	74,603	71,374	-	-	-	498,129
Total Revenues	1,575,942	20,283,639	10,655,646	4,485,909	1,573,343	1,659,131	18,398,598	2,606	58,634,814
EXPENDITURES									
Flood and drain protection	1,838,525	14,394,759	7,149,357	3,589,844	1,242,549	201,838	1,761,524	-	30,178,396
Capital outlay	286,365	903,310	167,891	819,540	-	1,536,111	10,966,606	-	14,679,823
Total Expenditures	2,124,890	15,298,069	7,317,248	4,409,384	1,242,549	1,737,949	12,728,130	-	44,858,219
Excess (deficiency) of revenues over expenditures	(548,948)	4,985,570	3,338,398	76,525	330,794	(78,818)	5,670,468	2,606	13,776,595
OTHER FINANCING SOURCES (USES)									
Transfers out	-	-	-	-	-	-	(1,703,809)	-	(1,703,809)
BP settlement proceeds	8,306,577	-	-	-	1,000,000	-	-	-	9,306,577
Litigation payments, net	(2,055,074)	(451,669)	-	(200,000)	(820)	-	-	-	(2,707,563)
Total Other Financing Sources (Uses)	6,251,503	(451,669)	-	(200,000)	999,180	-	(1,703,809)	-	4,895,205
NET CHANGES IN FUND BALANCES	**5,702,555**	**4,533,901**	**3,338,398**	**(123,475)**	**1,329,974**	**(78,818)**	**3,966,659**	**2,606**	**18,671,800**
FUND BALANCES – Beginning of Year	384,441	40,502,340	39,957,476	4,220,713	(7,553,861)	(1,893,878)	64,567,431	518,515	140,703,177
FUND BALANCES – End of Year	**$ 6,086,996**	**$ 45,036,241**	**$ 43,295,874**	**$ 4,097,238**	**$ (6,223,887)**	**$ (1,972,696)**	**$ 68,534,090**	**$ 521,121**	**$ 159,374,977**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE COMBINED STATEMENT OF ACTIVITIES
STATEMENT E

For the year ended June 30,	**2016**
NET CHANGES IN FUND BALANCE - Total Governmental Funds (Statement D)	$ 18,671,800
Amounts reported for governmental activities in the Combined Statement of Activities and Changes in Net Position are different because governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets	
Capital asset additions	14,679,823
Depreciation expense	(6,731,836)
Financing is reported as expense in the governmental funds report when current financial resources are used, but are recognized as expense in the Combined Statement of Activities and Changes in Net Position as incurred	(967,547)
Revenues in the Combined Statement of Activities and Changes in Net Position that do not provide current financial resources are not reported as revenues in the governmental funds	(1,011,172)
Expenses in the Combined Statement of Activities and Changes in Net Position which use current financial resources are reported as expenses on the governmental funds	425,000
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	(65,321)
Some expenses reported in the Combined Statement of Activities and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Compensated absences	(32,513)
Post-employment benefit cost	429,201
Pension expense	(10,039)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (STATEMENT B)	**$ 25,387,396**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF NET POSITION – PROPRIETARY FUNDS
STATEMENT F

As of June 30,				2016
	Major Funds		Non-major funds	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina, Lake Vista and New Basin Canal	Total Proprietary Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash	$ -	$ -	$ -	$ -
Receivables, net of allowance for uncollectables accounts	129,262	82,885	302,421	514,568
Due from other governments	60,740	195,170	3,406	259,316
Due from other funds	1,784,165	(9,667,784)	13,150,028	5,266,409
Other assets	-	60,199	700	60,899
Total Current Assets	1,974,167	(9,329,530)	13,456,555	6,101,192
NONCURRENT ASSETS				
Land	3,358,103	15,449,799	3,246,833	22,054,735
Other capital assets, net of depreciation	13,474,340	60,833,140	1,400,419	75,707,899
Total Noncurrent Assets	16,832,443	76,282,939	4,647,252	97,762,634
Total Assets	18,806,610	66,953,409	18,103,807	103,863,826
DEFERRED OUTFLOWS OF RESOURCES - Pension deferrals	51,637	194,263	52,699	298,599
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSTION				
CURRENT LIABILITIES				
Accounts payable	25,535	10,973	17,902	54,410
Other liabilities	1,500	-	269	1,769
Total Current Liabilities	27,035	10,973	18,171	56,179
NONCURRENT LIABILITIES				
Post-employment benefit liability	127,108	511,969	157,597	796,674
Net pension liability	386,654	1,454,633	394,614	2,235,901
Accrued compensated absences	9,130	88,618	26,475	124,223
Total Noncurrent Liabilities	522,892	2,055,220	578,686	3,156,798
Total Liabilities	549,927	2,066,193	596,857	3,212,977
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	400,605	219,972	-	620,577
Pension deferrals	7,626	28,690	7,783	44,099
Total Deferred Inflows of Resources	408,231	248,662	7,783	664,676
NET POSITION				
Net investment in capital assets	16,832,443	76,282,939	4,647,252	97,762,634
Unrestricted	1,067,646	(11,450,122)	12,904,614	2,522,138
TOTAL NET POSITION	**$ 17,900,089**	**$ 64,832,817**	**$ 17,551,866**	**$ 100,284,772**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
STATEMENT G

For the year ended June 30,				2016
	Major Funds		Non-major funds	
	South Shore Harbor Marina	Lakefront Airport	Orleans Marina, Lake Vista and New Basin Canal	Total Proprietary Funds
OPERATING REVENUES				
Charges for services				
Rentals	$ 525,540	$ 1,685,555	$ 2,210,350	$ 4,421,445
Fuel storage fees	-	616,286	-	616,286
Total charges for service	525,540	2,301,841	2,210,350	5,037,731
Miscellaneous	18,382	479,424	30,023	527,829
Total Operating Revenues	543,922	2,781,265	2,240,373	5,565,560
OPERATING EXPENSES				
Personnel services	193,847	968,980	178,020	1,340,847
Travel	36	10,789	36	10,861
Contractual services	362,803	1,799,452	465,661	2,627,916
Materials and supplies	41,634	113,841	46,275	201,750
Professional services	142,246	728,705	197,947	1,068,898
Other charges	16,559	37,897	33,020	87,476
Depreciation	1,252,038	2,429,568	143,897	3,825,503
Major maintenance	77,291	53,967	80,293	211,551
Total Operating Expenses	2,086,454	6,143,199	1,145,149	9,374,802
NET OPERATING INCOME (LOSS)	(1,542,532)	(3,361,934)	1,095,224	(3,809,242)
NONOPERATING REVENUES				
Grant income	(158,021)	(265,756)	(34,903)	(458,680)
Total Nonoperating Revenues	(158,021)	(265,756)	(34,903)	(458,680)
CHANGES IN NET POSITION	**(1,700,553)**	**(3,627,690)**	**1,060,321**	**(4,267,922)**
TOTAL NET POSITION - Beginning of Year	19,600,642	68,460,507	16,491,545	104,552,694
TOTAL NET POSITION - End of Year	**$ 17,900,089**	**$ 64,832,817**	**$ 17,551,866**	**$ 100,284,772**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
STATEMENT H

For the year ended June 30,				2016
	Major Funds		Non-Major Funds	
	South Shore Harbor Marina	Lakefront Airport	Lake Vista and New Basin Canal	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 404,401	$ 2,403,677	$ 2,051,692	$ 4,859,770
Other operating cash receipts	18,382	479,424	30,023	527,829
Payments to suppliers	(190,425)	(2,425,639)	(1,873,017)	(4,489,081)
Payments to employees	(232,358)	(1,172,705)	(235,174)	(1,640,237)
Net Cash Provided (Used) In Operating Activities	-	(715,243)	(26,476)	(741,719)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from federal and state grants	-	1,406,524	26,476	1,433,000
Purchase of capital assets	-	(691,281)	-	(691,281)
Net Cash Provided By Capital And Related Financing Activities	-	715,243	26,476	741,719
NET CHANGE IN CASH	-	-	-	-
CASH– Beginning of Year	-	-	-	-
CASH– End of Year	**$ -**	**$ -**	**$ -**	**$ -**
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH USED IN OPERATING ACTIVITIES				
Operating income (loss)	$ (1,542,532)	$ (3,361,934)	$ 1,095,224	$ (3,809,242)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:				
Cash flows reported in other categories				
Depreciation expense	1,252,038	2,429,568	143,897	3,825,503
Change in assets and liabilities				
Receivables, net	(121,139)	101,836	(158,658)	(177,961)
Due from other funds	447,260	292,373	(1,053,329)	(313,696)
Prepaid expenses and other assets	2,884	(1,676)	3,102	4,310
Deferred outflows pensions	16,670	62,709	17,012	96,391
Accounts and other payables	-	(867)	709	(158)
Post-employment benefit liability	3,257	953,557	3,270	960,084
Net pension liability	(7,482)	(1,482,781)	(7,636)	(1,497,899)
Other liabilities	-		(267)	(267)
Accrued compensated absences	611	485,970	(17,172)	469,409
Change in deferred inflow of resources	(51,567)	(193,998)	(52,628)	(298,193)
Net Cash Provided By (Used In) Operating Activities	**$ -**	**$ (715,243)**	**$ (26,476)**	**$ (741,719)**

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1: DESCRIPTION OF THE REPORTING ENTITY

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

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

For the purposes of this report, the Authority, as a result of LA RS 38:291(Paragraphs D, G and K), effective on January 1, 2007, combined the financial activity of the Orleans Levee District, the East Jefferson Levee District, and the Lake Borgne Basin Levee District (collectively, the Levee Districts) with that of the administration arm of the Authority. The Authority's Board of Commissioners administers the operations and responsibilities of the flood protection related assets and activities of the Levee Districts in accordance with the provisions of Louisiana statutes.

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

- *The Orleans Levee District* (the OLD) was established by 1890 General Assembly of the State of Louisiana. The OLD has primary responsibility for the operation and maintenance of levees, embankments, seawalls, jetties, breakwaters, water basins, and other hurricane and flood protection improvements surrounding the City of New Orleans, including the southern shores of Lake Pontchartrain and along the Mississippi River. The District also has responsibility for operating and maintaining several complex marine structures impacting navigable waterways that are part of the flood protection system. The OLD is responsible for the maintenance of almost 111 miles of levees and floodwalls. Louisiana State Legislature authorized the OLD to dedicate, construct, operate, and maintain public parks, beaches, marinas, aviation fields, and other like facilities. The OLD owns a general aviation airport, the New Orleans Lakefront Airport, as well as the Orleans Marina, the South Shore Harbor Marina, and various other real estate properties. The Orleans Marina has 352 boat slips. The South Shore Harbor Marina, which was officially dedicated September 19, 1987, has a 43-acre calm water basin, 453 open boat slips, and 26 covered boat slips. The OLD has approximately 132 full-time employees, including 22 police officers and 6 firemen.
- *The East Jefferson Levee District* (the EJLD) was created by Louisiana State Legislature on January 1, 1979 from the territory removed from the Pontchartrain Levee District. The East Jefferson Levee District includes all or portions of the following parishes: Jefferson Parish East of Mississippi River, South of Lake Pontchartrain, bordered by St. Charles Parish. The East Jefferson Levee District primarily provides flood protection for those areas contained in the District, and has approximately 53 full-time employees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 1: DESCRIPTION OF THE REPORTING ENTITY (CONTINUED)

- *The Lake Borgne Basin Levee District* (the LBBLD) was created by Louisiana State Legislature in 1892 and is comprised of all the territory contained within the parish of St. Bernard. The District primarily provides flood protection for those areas contained in the District. The LBBLD is responsible for 60 miles of levees, 8 pumping stations, and 53 miles of drainage canals. The LBBLD's office is located in Violet, Louisiana, and employs 23 full-time employees. The LBBLD's operations are funded primarily through ad valorem taxes, state revenue sharing and interest earnings.

In order to promote coordination over parochial concerns, approval of a proposed project (program, engineering activities) shall require the favorable vote of at least two-thirds of the total voting membership of the Board, defined below, regardless of whether the project is limited to one or more levee districts within the territorial jurisdiction of the Authority.

- *Project* – is a program or engineering activity, either new or continuing, that will be planned and implemented with the primary goal being the reduction of existing flood damages.
- *Program* – The flood control system which may include, but not be limited to, flood proofing, waterproofing, ring dikes, relocation assistance, information programs, formulation of codes, and engineering studies.
- *Engineering Activities* – Functions which may include, but not be limited to, dams, reservoirs, levees, dikes, floodwalls, diversions, channel alterations such as snagging and channel straightening, or site detention, spillways, and land treatment.

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 1: DESCRIPTION OF THE REPORTING ENTITY (CONTINUED)

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

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 1: DESCRIPTION OF THE REPORTING ENTITY (CONTINUED)

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

The indebtedness of OLD is reported in the governmental operations.

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

Net position is displayed in three components:

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Basis of Accounting

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

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

Fund Financial Statements

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Fund Balance

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Net Position

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

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

Major Funds

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

The OLD Debt Service Fund is used to account for transactions relating to resources retained and used for the payment of general long-term debt principal, interest, and related costs.

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

The OLD General Improvement Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of non-flood protection related capital facilities. This fund is controlled and managed by the NFPAMA.

The LBBLD Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

The South Shore Harbor Marina and Lakefront Airport are proprietary funds used for financial resources received and used for the acquisition, construction, or improvement of capital facilities. These funds are controlled and managed by the NFPAMA.

Use of Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Adoption of New Financial Accounting Standards

The following GASB Statements recently issued and adopted by the GASB impacted the Authority's financial statements:

In February 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 72, Fair Value Measurement and Application, which prescribes how state and local governments should define and measure fair value. The District has determined that it is not subject to GASB 72 due to the fact that all investments are in the Louisiana Asset Management Pool or certificates of deposit.

In June 2015, the Governmental Accounting Standards Board (GASB) issued GASB No. 73 (GASB 73), Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to certain provisions of GASB Statements 67 and 68. Some of the provisions in this standard are applicable to the District and have been implemented for the year ended June 30, 2016. The provisions did not have a material impact on the District's combined financial statements.

Future Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plan* and GASB Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pensions Plans.* These pronouncements require more extensive note disclosure requirements for defined contribution OPEB plans. The standard is effective for the year ended June 30, 2017 and the District is currently assessing their impact.

In June 2015, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 77, *Tax Abatement Disclosures.* This pronouncement defines and provides disclosure for governments that have granted tax abatements. The standard is effective for the year ended June 30, 2017 and the District is currently assessing their impact.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Cash and Cash Equivalents

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

Under state law, the Authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. State statutes authorize the Authority to invest in United States bonds, treasury notes or certificates. These are classified as investments if the original maturities exceed 90 days. Investments are stated at fair value using published market rates.

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of commercial paper held by the state treasurer. The Authority was not fully covered by the Federal Deposit Insurance Corporation (FDIC) and pledged securities by $22,698 at June 30, 2016, see compliance finding on page 72.

Investments

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

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. GASB Codifications C20 *Cash Deposits with Financial Institutions* and I50 *Investments*, require disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Investments (Continued)

- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 50 as of June 30, 2016.
- Foreign currency risk: Not applicable to money market-like pools.

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

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

Receivables
All receivables are shown net of allowance for doubtful accounts.

Interfund Receivables or Payables

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Inventory

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

Capital Assets

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

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

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

Compensated Absences

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has several items that meet this criterion - net difference between projected and actual earnings on pension plan investments, change in assumptions, changes in proportion, differences between employer contributions and proportion of shared contributions, and employer contributions subsequent to the measurement date. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has several items that meet the criteria for this category - differences between expected and actual experience, change in assumptions, and changes in proportion that result from the implementation of GASB Statement 68.

Pensions

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

Long-term Obligations

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NOTE 2: MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Combined Balance Sheet

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

B. BUDGETARY ACCOUNTING

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

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

B. BUDGETARY ACCOUNTING (CONTINUED)

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

All original budgets were adopted on March 19, 2015. The amended budgets for Authority GF and LBBLD were adopted on May 12, 2016. The EJLD, OLD and NFPAMA budgets were not amended during the fiscal year. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying Schedule 1.

The most significant changes made are described below:

- *Revenues* – The LBBLD's original budget was $3,771,600 in revenues and the revised budget was $4,429,100 reflecting capital outlays and major maintenance funded by grant revenue. Actual results yielded an increase of $823,707 to the original budget and an increase of $166,208 to the amended budget mainly due to the increase in governmental revenues. The OLD's budget was $20,103,900 for the General Fund and $18,069,800 for the SLIP Fund. The OLD budget was not revised. Actual results for the General Fund yielded an increase of $177,887 to the original budget primarily because of an increase in ad valorem taxes. Actual results of the SLIP fund, was an increase of $328,798 primarily due to an increase in tax revenue. The EJLD's budget was $9,928,000. Actual results yielded amounts comparable to the amended budget with a change of $504,895. The Authority's original budget called for a total of $1,701,500, while the amended budget had revenues of $1,701,500 plus net revenues from other sources of $6,251,503. The additional revenues were the result of a settled lawsuit on behalf of the Authority. NFPAMA's original budget called for a total of $7,377,477 in revenues.

- Expenditures – The LBBLD's original budget was $3,771,600 in expenditures while the amended budget was $4,629,100, with the majority of the difference due to increases in major capital improvement. The actual results yielded an unfavorable variance to the amended budget of approximately $100,000. The EJLD's budget was $9,928,000 and actual results yielded a favorable variance of $3,332,094 from the budget mainly due to delays in the construction. The Authority's original budget called for a total of $1,701,500 while the amended budget increased to $2,022,222. The OLD's budget was $16,910,050 for the General Fund and $29,950,000 for the Slip Fund. The budget for OLD was not revised. Variances for OLD and SLIP was approximately $17 million as delays in many projects caused overall spending for these to be less than what was budgeted. NFPAMA's original budget called for a total of $7,377,477 in expenses. Combined variances in the final budget amounts and actual results are shown in the combined statement of revenues, expenditures, and changes in fund balances – budget and actual – governmental funds on Schedule 1.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

NOTE 1: DEPOSITS WITH FINANCIAL INSTITUTIONS

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

Aggregate cash and cash equivalents by entity deposited with financial institutions were as follows:

Authority	$	456,167
Orleans Levee District		684,639
NFPAMA		149,242
East Jefferson Levee District		9,044,303
Lake Borgne Basin Levee District		4,472,490
Total	**$**	14,806,571

Amounts deposited in banks:

	Cash	Certificates of Deposit	LAMP	Total
Balance per agency books	$ 14,806,571	$ 36,658,823	$ 114,594,807	$ 166,060,201
Deposits in bank accounts per bank	15,697,044	36,568,823	114,594,807	166,560,674
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	22,698	-	-	22,698
b. Deposits not insured and collateralized with securities held by the pledging institution	-	-	-	-
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency	-	-	-	-

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

NOTE 1: DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

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

NOTE 2: INVESTMENTS

At June 30, 2016, the Authority had an investment of $114,594,807 with the Louisiana Asset Management Pool (LAMP), which includes restricted investments of $6,881,643. As of June 30, 2016, the EJLD reported a fair value of $36,658,823 of certificates of deposits, which includes restricted investments of $2,192,000, which are not exposed to custodial credit risk. The certificates are long-term investments with maturities greater than one year.

D. CAPITAL ASSETS

Infrastructure assets as of June 30, 2016, were as follows:

	Governmental	Proprietary
Bridges and roadways	$ 78,507,010	$ -
Parks and recreation	4,002,415	351,137
Buildings	1,859,692	-
Subtotal – other infrastructure assets	84,369,117	351,137
Flood protection systems	87,661,596	49,974
Total – infrastructure assets	**$ 172,030,713**	**$ 401,111**

Accumulated depreciation on infrastructure assets amounted to $83,147,956 and $330,116 for Governmental and Proprietary infrastructure assets, respectively, at year-end.

D. CAPITAL ASSETS (CONTINUED)

Changes in capital assets for the year ended June 30, 2016 are shown on the following schedule:

Government Activities:	June 30, 2015	Additions	Deletions	June 30, 2016
Capital assets not being depreciated				
Land	$ 14,072,462	$ 819,540	$ -	$ 14,892,002
Construction in progress	33,208,536	13,232,237	(24,759,465)	21,681,308
Total capital assets not being Depreciated	47,280,998	14,051,777	(24,759,465)	36,573,310
Capital assets being depreciated				
Buildings	16,123,554	1,589,930	-	17,713,484
Improvements other than buildings	12,451,091	14,702,623	-	27,153,714
Equipment	11,418,841	902,961	(24,347)	12,297,455
Infrastructure	163,838,716	8,191,997	-	172,030,713
Total capital assets being Depreciated	203,832,202	25,387,511	(24,347)	229,195,366
Less accumulated depreciation for:				
Buildings	8,744,971	823,044	-	9,568,015
Improvements other than buildings	9,265,694	625,201	-	9,890,895
Equipment	8,361,567	701,675	(24,694)	9,038,548
Infrastructure	78,566,040	4,581,916	-	83,147,956
Total accumulated depreciation	104,938,272	6,731,836	(24,694)	111,645,414
Total capital assets, being depreciated, net	98,893,930	18,655,675	347	117,549,952
Total governmental activities capital Assets	**$146,174,928**	**$ 32,707,452**	**$(24,759,118)**	**$154,123,262**

D. CAPITAL ASSETS (CONTINUED)

Business Activities:	June 30, 2015	Additions	Deletions	June 30, 2016
Capital assets not being depreciated				
Land	$ 22,054,735	$ -	$ -	$ 22,054,735
Construction in progress	2,817,911	461,848	(3,279,759)	-
Total capital assets not being Depreciated	24,872,646	461,848	(3,279,759)	22,054,735
Capital assets being depreciated				
Buildings	57237,037	1,103,487	-	58,340,524
Improvements other than buildings	99,192,287	2,225,703	-	100,417,990
Equipment	1,355,040	-	-	1,355,040
Infrastructure	401,111	-	-	401,111
Total capital assets being Depreciated	158,185,475	3,329,190	-	161,514,665
Less accumulated depreciation for:				
Buildings	10,038,931	1,447,415	-	11,486,346
Improvements other than buildings	70,377,018	2,339,644	-	72,716,662
Equipment	1,254,421	19,221	-	1,273,642
Infrastructure	310,893	19,223	-	330,116
Total accumulated depreciation	81,981,263	3,825,503	-	85,806,766
Total capital assets, being depreciated, net	76,204,212	(496,313)	-	75,707,899
Total business activities capital Assets	**$101,076,858**	**$ (34,465)**	**$ (3,279,759)**	**$ 97,762,634**

E. INVENTORY

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

F. RESTRICTED ASSETS

Restricted assets at June 30, 2016, as shown on Statement A, amounted to $9,073,643. Restricted assets consisted of $762,406 in OLD General fund and $1,298,149 in OLD SLIP in conjunction with the agreement divesting Algiers Levee District from the Authority for its share of the note payable due to the State and $4,821,088 in OLD General fund dedicated to OPEB liabilities. Additionally, $2,192,000 held in escrow is payable to the Army Corps Engineers for East Jefferson Levee District's share of future federal levee projects.

G. COMPENSATED ABSENCES

The cost of leave privileges, computed in accordance with GASB Codification Section C60 *Compensated Absences*, is recognized as an expense when leave is earned. The combined statement of net position present the cost of accumulated annual and compensatory leave as a liability. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay this amount when employees separate from service. The combined value of accrued annual leave and compensatory leave at June 30, 2016 was $1,182,666.

H. RETIREMENT BENEFITS

Plan Description

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

Benefits Provided

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

Retirement

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

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

H. RETIREMENT BENEFITS (CONTINUED)

Retirement (Continued)

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.

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.

H. RETIREMENT BENEFITS (CONTINUED)

Deferred Retirement Benefits (Continued)

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

Disability Benefits

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.

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.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

H. RETIREMENT BENEFITS (CONTINUED)

Contributions

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

The rates in effect during the year ended June 30, 2016 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
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%
Legislators	Closed	11.5%	39.7%
Special Legislative Employees	Closed	9.5%	39.7%
Judges hired before 1/1/2011	Closed	11.5%	39.7%
Judges hired after 12/31/2010	Open	13.0%	39.3%
Corrections Primary	Closed	9.0%	32.6%
Corrections Secondary	Closed	9.0%	33.5%
Wildlife Agents	Closed	9.5%	46.6%
Peace Officers	Closed	9.0%	45.3%
Alcohol Tobacco Control	Closed	9.0%	33.3%
Bridge Police	Closed	8.5%	35.8%
Hazardous Duty	Open	9.5%	37.6%
New Orleans Harbor Police	Closed	4.0%	4.2%

The Authority's contractually required composite contribution rate for the year ended June 30, 2016 was 37.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Authority were $3,353,153 for the year ended June 30, 2016.

H. RETIREMENT BENEFITS (CONTINUED)

Refunds of Contributions

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

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

At June 30, 2016, the Authority reported a liability of $34,616,895 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 Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Authority's proportion was 0.50896%, which was an increase of .00257% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Authority recognized pension expense of $2,166,102 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of $931,944.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,277	$ 283,538
Net difference between projected and actual earnings on pension plan investments	-	31,306
Changes in proportion and differences between employer contributions and proportion of shared contributions	1,223,567	367,915
Employer contributions subsequent to the measurement date	3,353,153	-
Total	$ 4,622,997	$ 682,759

H. RETIREMENT BENEFITS (CONTINUED)

Deferred outflows of resources of $3,353,153 related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2017	$	412,084
2018		(312,612)
2019		(259,459)
2020	$	747,072

H. RETIREMENT BENEFITS (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:

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

Member Type	Lower Range	Upper Range
Regular	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%

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

H. RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	0%	0.24%
Domestic equity	27%	4.56%
International equity	30%	5.67%
Domestic fixed income	11%	2.24%
International fixed income	2%	3.64%
Alternative investments	23%	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.

H. RETIREMENT BENEFITS (CONTINUED)

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

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

	1.0% Decrease (6.75%)	Current Discount Rate (7.75%)	1.0% Increase (8.75%)
Authority's proportionate share of the net pension liability	$ 43,693,993	$ 34,616,895	$ 26,908,219

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2015 Comprehensive Annual Financial Report at www.lasersonline.org.

I. OTHER POST-EMPLOYMENT BENEFITS

Authority employees become eligible for post-employment healthcare and life insurance benefits if they reach normal retirement age while working for the Authority. The employer provides these benefits for retirees and similar benefits for active employees through Office of Group Benefits ("OGB") and/or an independent insurer. The premiums are paid jointly by the retiree and the employer.

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Post-employment Healthcare Plan

Plan Description

The Office of Group Benefits (OGB) of the State of Louisiana, administered by Blue Cross Blue Shield of Louisiana, currently provides healthcare benefits to eligible retired OLD employees, their dependents, and surviving spouse. During the year ended June 30, 2013, OLD moved its OPEB accounts from a privately run plan to the OGB plan run by the State and administer SFLPA-E, LBBLD and OLD employees participate in the State's Other Post-employment Benefit Plan (OPEB Plan or the Plan), an agent multiple-employer, defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. Blue Cross Blue Shield of Louisiana administers the Plan for the OGB. LA RS 42:801-883 provides the OGB the authority to establish and amend benefit provisions of the Plan. The OGB does not issue a publicly available financial report of the OPEB Plan; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.aov/osrap.

The contribution requirements of plan members, SLFPA-E LBBLD, and OLD are established and may be amended by LA RS 42:801-883. Employees do not contribute to the post-employment benefit cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the Plan and if the member has Medicare coverage. The OGB offers four standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Medical Home HMO Plan, a Health Reimbursement Arrangement (HRA) and the Consumer Driven Health Plan with Health Savings Account (HSA) (Actives Only). Depending upon the Plan selected, during fiscal year 2016 employee premiums for a single member receiving benefits range from $59 to $148 per month for retiree-only coverage with Medicare, and for retiree-only coverage without Medicare from $99 to $234 per month. The fiscal year 2016 premiums for retiree and spouse range from $107 to $394 per month for both retiree and spouse with Medicare, and from to $320 to $476 per month for those without Medicare.

The Plan is currently financed on a pay as you go basis, with the LBBLD and OLD contributing anywhere from $183 to $247 per month for retiree-only coverage with Medicare or from $612 to $982 per month for retiree-only coverage without Medicare, during fiscal year 2016. Also, the LBBLD and OLD’s contributions range from $184 to $1,067 per month for both retiree and spouse with Medicare to $954 to $1,671 for retiree and spouse without Medicare.

The employees/retirees of EJLD have a choice between two plans. There are no contributions from employees on the first plan and EJLD pays $588 for single coverage for employee, $1,088 for employee and child coverage, $1,235 for employee and spouse coverage, and $1,705 for full family coverage. The second plan, the EJLD employees pay the difference in premium between the first plan and the second plan. The EJLD eligible retirees pay half of the premium of the plan that they choose until they reach age 65.

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Post-employment Life Insurance Benefits

For SLFPA-E, OLD and LBBLD, the OGB provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment (AD&D) coverage, which is underwritten by the Prudential Insurance Company of America. The total premium is approximately $1.08 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at $50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees. The amount of coverage is based on the retiree's annual salary prior to retirement. Members are responsible for half of the insurance premium equal to the premium at time of retirement.

Under the provisions of the EJLD Group Life insurance program, the coverage/premium rates are lowered when the retiree reaches age 65 by 35% and then again at age 70 it is lowered by 50%. Coverage is based on the retiree's salary at the time of retirement, up to a maximum of $50,000. Retirees contribute 50% of the monthly premium cost based on their coverage amount.

Annual Other Post-Employment Benefit* (OPEB) *Cost

The annual required contribution (the ARC) is an amount actuarially determined in accordance with the parameters of GASB Codification P50 *Postemployment Benefits Other Than Pensions – Employer Reporting*. For the year ended June 30, 2016, the OLD's annual OPEB cost for the post-employment healthcare plan recognized in the combined statement of activities and changes in net position of $1,179,442 was equal to the ARC. The EJLD's annual OPEB cost of $162,630 and the LBBLD's annual cost of $322,700 for healthcare costs were equal to the ARC.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

In the July 1, 2015 actuarial valuation, the entry age actuarial cost method was used; the actuarial assumptions included 4.0% investment rate of return (net of administrative expenses). The actuarial value of the healthcare plan's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The OLD and EJLD's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at June 30, 2015 was 30 years.

In the most recently issued actuarial valuation, dated July 1, 2015, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 6.0% and 8.0% eligible for pre-Medicare and Medicare, respectively, scaling down to ultimate rates of 4.5% per year. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on an open basis. The remaining amortization period at July 1, 2015 was 30 years.

Retiree benefits paid in 2016 by the OLD totaled $766,880. As of June 30, 2016, there were 86 retirees contributing and utilizing post-employment retirement benefits. Employees hired January 1, 2010 or later, who are eligible for Medicare will not be eligible for the OLD's health insurance plan. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the EJLD. Benefits paid by EJLD for the year ended June 30, 2016 totaled $33,881 for the 21 retirees. Benefits paid by LBBLD for the year ended June 30, 2016 totaled $113,787 for the 22 retirees.

The OLD's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended June 30, 2016 were:

Normal cost	$	346,811
30-year UAAL amortization amount		832,631
Interest on the above		-
Annual required contribution (ARC)	**$**	**1,179,442**

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following table presents the OLD's OPEB obligation for the year ended June 30, 2016:

Beginning net OPEB obligation, July 1, 2015	$ 7,757,564
Annual required contribution	1,179,442
Interest on net OPEB obligation	310,303
Adjustment to ARC	(448,621)
OPEB cost	8,798,988
Contributions made (retiree cost)	(879,464)
Ending net OPEB obligation, June 30, 2016	**$ 7,919,224**

The funded status of the OLD healthcare and life insurance plan as of the July 1, 2015 actuarial report was as follows:

Actuarial accrued liability (AAL)	$ 15,045,799
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	**$ 15,045,799**
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 5,983,935
UAAL as a percentage of covered payroll	251%

The OLD Schedule of Funding Progress for OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2016	$ -	$ 15,045,799	$ 15,045,799	0%	$ 5,983,935	251%
6/30/2015	-	14,397,894	14,397,894	0%	4,799,752	299%
6/30/2014	-	21,929,219	21,929,219	0%	5,998,662	366%

The actuarial valuation reported in the fiscal year 2016 report reflects values at the beginning of the fiscal year, explaining the apparent lag in describing the divergent insurance plans. The District is looking into the actuarial assumptions that resulted in the significant decline in estimated obligations.

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The EJLD's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2016 were as follows:

Normal cost	$	81,976
30-year UAL amortization amount		80,654
Interest on the above		-
Annual required contribution (ARC)	**$**	**162,630**

The following table presents the EJLD's OPEB obligation for the year ended June 30, 2016:

Beginning net OPEB obligation, July 1, 2015	$	878,649
Annual required contribution		162,630
Interest on net OPEB obligation		35,146
Adjustment to ARC		(47,481)
OPEB cost		1,028,944
Contributions made (retiree cost)		(52,962)
Ending net OPEB obligation, June 30, 2016	**$**	**975,982**

The funded status of the EJLD's plan for medical and life benefits as of the July 1, 2015 actuarial report was as follows:

Actuarial accrued liability (AAL)	$	1,457,431
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	**$**	**1,457,431**
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	$	2,368,810
UAAL as a percentage of covered payroll		61.5%

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The EJLD Schedule of Funding Progress for OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2016	$ -	$ 1,457,431	$ 1,457,431	0%	$ 2,368,810	59.0%
6/30/2015	$ -	1,394,671	1,394,671	0%	3,099,186	45.0%
6/30/2014	-	821,052	821,052	0%	2,524,101	32.5%

The LBBLD’s total ARC for the year beginning July 1, 2015 is $322,700 as set forth below.

Normal cost	$ 169,600
30-year UAL amortization amount	153,100
Interest on the above	-
Annual required contribution (ARC)	**$ 322,700**

The following table presents the LBBLD's OPEB obligation for the fiscal year 2016:

Beginning net OPEB obligation, July 1, 2015	$ 3,682,700
Annual required contribution	322,700
Interest on net OPEB obligation	147,308
OPEB cost	4,152,708
Contributions made (retiree cost)	(113,787)
Ending net OPEB obligation, June 30, 2016	**$ 4,038,921**

I. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The funded status of the LBBLD's plan as of the July 1, 2015 actuarial report was as follows:

Actuarial accrued liability (AAL)	$	4,038,921
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	**$**	**4,038,921**
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (annual payroll of active employees covered by the Plan)	$	1,361,610
UAAL as a percentage of covered payroll		297%

The LBBLD Schedule of Funding Progress for OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2016	$ -	$4,038,921	$4,038,921	0%	$1,361,610	297%
6/30/2015	-	3,682,700	3,682,700	0%	1,244,100	296%
6/30/2014	-	3,248,600	3,248,600	0%	1,181,574	275%

J. LEASES – OPERATING LEASES

The Non-Flood Protection Asset Management Authority manages and leases boat slips, boathouses, and building space to certain parties under operating leases. At June 30, 2016, the total cost of the land, buildings and improvements leased to others is $183.1 million with $75.7 million net of related accumulated depreciation. Current year rents amount to $4.4 million. The amount derived from contingent rent increases was negligible. The amounts reported represent rents due on non-cancelable leases currently in effect. Future minimum rental payments to be received under these operating leases are as follows for the years ending June 30:

2017	$ 4,524,821
2018	2,641,839
2019	2,335,623
2020	1,885,216
2021	1,184,541
2022-2026	2,694,547
2027-2031	2,384,642
2032-2036	2,004,723
Remainder of term	2,259,331
Total	**$ 21,915,283**

K. LONG-TERM OBLIGATIONS

Loans from the State of Louisiana

On July 19, 2006, the Orleans Levee District entered into a Cooperative Endeavor Agreement (CEA) with the State of Louisiana constituting a loan agreement (Gulf Opportunity Zone Bond loan) between the two parties wherein the State loaned to the District $26,125,671 for the sole purpose of paying the debt service on the then outstanding 1986 and 1996 Series, Special Levee and Public Improvement bonds. The Public Improvement Bonds were reported on the proprietary funds until the reorganization of the Orleans Levee District in fiscal 2007. The Flood Control Division assumed the Public Improvement Bonds effective within the reorganization of the District.

As part of the re-organization of the Orleans Levee District mandated by legislation and constitutional amendment, the OLD's LA RS 39:1430 assets are managed by the Non-Flood Protection Asset Management Authority.

K. LONG-TERM OBLIGATIONS (CONTINUED)

Loans from the State of Louisiana (Continued)

The terms of the loan include a maturity date of 20 years from the issuance of the loan, July 19, 2006. In the first five years, neither principal nor interest were payable. The agreement states that the loan bears interest at a fixed rate of 4.64% and shall be repaid in level installments over the remaining 15 years of the agreement's term. The funds were required to be used solely for payment of debt service on the identified bonds. The agreement further states that repayment of the loan should be made from available revenues of the District as the sole source of repayment which is subordinated to the existing obligations of the District as permitted by LA RS 39:1430. LA RS 39:1430 further states, in summary, that the debt service is required to be paid out of income, revenues, and receipts derived or received from the properties and facilities related to the LA RS 39:1430 assets. Management is of the opinion that since the Orleans Levee District has no available funds from its LA RS 39:1430 assets, no funds are currently available to pay down this loan as of June 30, 2016. To date, the District has not set aside any funds for the payment of this debt service from available tax revenues other than the amounts that were escrowed at the time of the Compromise and Settlement Agreement with Algiers Levee District which related to the Algiers allocated portion of the debt.

OLD has not made any principal or interest payments on this loan to date. The OLD has continued to attempt to negotiate the forgiveness of these bonds with the State of Louisiana but has been unsuccessful to date. Accordingly, management has reported this note payable of $26,125,671 and related accrued interest payable of $5,416,378 as long-term in the accompanying combined statement of net position. The State, however, has classified the entire amount as long term.

The following is the schedule of the future minimum payments based on the CEA debt amortization schedule as of June 30, 2016 adjusted for a delay in repayment:

Years Ending	Principal	Interest	Total
Pre-2017	$ 6,824,082	$ 5,416,378	$ 12,240,460
2017	1,560,538	895,594	2,456,132
2018	1,632,947	823,185	2,456,132
2019	1,708,716	747,416	2,456,132
2020	1,788,000	668,132	2,456,132
2021	1,870,963	585,169	2,456,132
2022-2026	10,740,425	1,580,432	12,320,857
Total	**$ 26,125,671**	**$ 10,716,306**	**$ 36,841,977**

K. LONG-TERM OBLIGATIONS (CONTINUED)

Changes in Long-Term Obligations

The following schedules summarize the changes in long-term debt during the year ended June 30, 2016:

	June 30, 2015	Additions	Retirement	June 30, 2016	One Year
Governmental Activities:					
Long term borrowing from State of Louisiana	$26,125,671	$ -	$ -	$26,125,671	$ -
Compensated absences	1,025,930	65,264	(32,751)	1,058,443	52,022
Interest payable	4,448,831	967,547	-	5,416,378	-
Judgments	525,000	-	(425,000)	100,000	100,000
Net pension liability	29,384,725	2,996,269	-	32,380,994	-
Post-employee benefit liability	11,539,659	1,556,060	(958,266)	12,137,453	-
Governmental activities total	**73,049,816**	**5,585,140**	**(1,416,017)**	**77,218,939**	**152,022**
Business-Type Activities:					
Compensated absences	104,746	32,433	(12,956)	124,223	26,011
Net pension liability	2,279,167	-	(43,266)	2,235,901	-
Post-employment benefit liability	779,254	105,367	(87,947)	796,674	-
Business-type activities total	3,163,167	137,800	(144,169)	3,156,798	26,011
Total long term obligations	**$76,212,983**	**$5,722,940**	**$ (1,560,186)**	**$80,375,737**	**$178,033**

L. CONTINGENT LIABILITIES

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

FEDERALLY ASSISTED GRANT PROGRAMS

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

M. DISAGGREGATION OF RECEIVABLE BALANCES

The following table displays the June 30, 2016 balances in receivables by each District's governmental activities:

	OLD	EJLD	NFPAMA	LBBLD	Proprietary	Total
Ad valorem taxes	$2,724,620	$ -	$ -	$ 11,519	$ -	$2,736,139
Customers and other, net of allowance for doubtful accounts		1,379	11,607	-	514,568	527,554
	$2,724,620	$ 1,379	$ 11,607	$ 11,519	$ 514,568	$3,263,693

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

M. DISAGGREGATION OF RECEIVABLE BALANCES (CONTINUED)

Ad Valorem Taxes

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

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

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

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

The OLD collects three ad valorem taxes: constitutional, maintenance and special levee improvement tax. All tax other than provided in constitution must have approval of the voters of Orleans Parish. The citizens of New Orleans did approve the special levee improvement and maintenance tax. The millages are currently as shown in the table below:

	Authorized	**Levied 2015**
Parish-wide taxes:		
Constitutional	5.46	5.46
Maintenance	0.75	0.75
Levee improvement	6.07	6.07
	12.28	**12.28**

M. DISAGGREGATION OF RECEIVABLE BALANCES (CONTINUED)

Ad Valorem Taxes (Continued)

At June 30, 2016, approximately $204,920 of property taxes has been paid under protest and is, therefore, not recorded in the financial statements.

East Jefferson Levee District – The Louisiana Constitution provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto, the levee districts may levy annually a tax not to exceed five mills. If the EJLD needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors. The following table shows the maximum rates as well as the rates billed during the year ended June 30, 2016:

	Authorized	Levied 2015
Parish-wide taxes:		
Constitutional	4.01	4.01
	4.01	**4.01**

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

The following table shows the maximum rates as well as the rates billed during the year ended June 30, 2016:

	Authorized	Levied 2015	Effective Years
Parish-wide taxes:			
Constitution	3.83	3.83	
General election	3.00	3.00	2015 - 2044
General election	4.27	4.27	2011 - 2020
	11.10	**11.10**	

N. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2016 were as follows:

	Authority GF	OLD	EJLD	NFPAMA	LBBLD	Proprietary	Total
Vendors and employees	$ 41,448	$ 713,035	$244,822	$413,766	$155,756	$ 54,410	$1,623,237
Contracts payable	4,855	1,204,667	-	11,137	-	-	1,220,659
	$ 46,303	**$1,917,702**	**$244,822**	**$424,904**	**$155,756**	**$ 54,410**	**$2,843,896**

All amounts are payable within one year.

Due from other governments represents amounts to be received from Federal Emergency Management Agency. As of June 30, 2016, the Authority had a balance of $955,158 due from other governments. The balance due to other agencies was $2,223,609 as of June 30, 2016, of which $2,192,000 was due to the Army Corps of Engineers.

O. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 16, 2016, except as noted in Note l and above, there are no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule 1

	Budgeted Amounts		Actual Amounts	Variances with Final Budget (Unfavorable)
	Original	Final		
Revenues				
Taxes	$ 50,303,600	$ 51,621,100	$ 50,980,653	$ (640,447)
Intergovernmental	1,737,000	2,437,000	4,122,519	1,685,519
Charges for service		-		
Permits	69,800	69,800	-	(69,800)
Oil and gas royalties	280,000	280,000	161,543	(118,457)
Investment income	607,950	607,950	1,309,761	701,811
Cost sharing allocations from affiliates	1,656,640	1,656,640	1,562,209	(94,431)
BP settlement proceeds	-	6,251,503	9,306,577	3,055,074
Miscellaneous	325,010	310,010	498,129	188,119
Total revenues	54,980,000	63,234,003	67,941,391	4,707,388
Expenditures				
Flood and drainage protection				
Personnel services	21,983,143	21,807,343	16,997,602	4,809,741
Travel	70,200	78,800	59,833	18,967
Contractual services	35,710,412	36,560,312	19,752,985	16,807,327
Police services	-	-		-
Materials and supplies	2,248,250	2,229,757	1,722,990	506,767
Professional services	11,046,791	11,002,191	2,641,656	8,360,535
Other charges	1,182,845	761,695	32,543	729,152
Cost sharing allocations to affiliates	1,627,100	1,627,100	1,858,821	(231,721)
Machinery and equipment	1,179,266	2,165,631	1,791,789	373,842
Miscellaneous	2,600	2,600	-	2,600
Total expenditures	75,050,607	76,235,429	44,858,219	31,377,210
Excess of revenues over expenditures	(20,070,607)	(13,001,426)	23,083,172	36,084,598
Other Financing Sources (Uses)				
Debt services	(1,273,300)	(1,273,300)	(1,703,809)	(430,509)
Litigation payments	(250,000)	(250,000)	(2,707,563)	(2,457,563)
Total other financing used	(1,523,300)	(1,523,300)	(4,411,372)	(2,888,072)
Net changes in fund balances	**(21,593,907)**	**(14,524,726)**	**18,671,800**	**33,196,526**
Fund balance - Beginning of year	140,703,177	140,703,177	140,703,177	-
Fund balance - End of year	**$ 119,109,270**	**$ 126,178,451**	**$ 159,374,977**	**$ 33,196,526**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

For the year ended June 30,	2016	2015
Authority's proportion of the net pension liability (%)	**0.50896%**	**0.50639%**
Authority's proportion of the net pension liability ($)	**$ 34,616,895**	**$ 31,663,892**
Authority's covered-employee payroll	**$ 8,638,094**	**$ 8,934,255**
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	**401.75%**	**354.41%**
Plan fiduciary net position as a percentage of the total pension liability	**62.7%**	**65.0%**

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
SCHEDULE OF CONTRIBUTIONS TO LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

For the year ended June 30,	2016	2015
Contractually required contribution	$ 3,353,153	$ 3,285,657
Contributions in relation to the contractually required contribution	3,353,153	3,285,657
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 8,998,164	$ 8,638,094
Contributions as a percentage of covered-employee payroll	37.26%	38.04%

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

Changes of Benefit Terms

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.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2016

Agency Head Name: Robert A. Turner, Jr. (Regional Director)

PURPOSE	AMOUNT
Salary	$ 157,633
Benefits-health insurance	12,671
Benefits-retirement	58,639
Deferred compensation	-
Workers comp	-
Benefits-life insurance	486
Benefits-long term disability	-
Benefits-Fica and Medicare	2,184
Car allowance	-
Vehicle provided by government	-
Cell phone	1,844
Dues	170
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	2,216
Registration fees	2,240
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	447
	$ 238,530

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

Annual Fiscal Report to the Office of the Governor, Division of Administration, Office of Statewide Reporting

For the Year Ended June 30, 2016

ANNUAL FISCAL REPORT (AFR)
FOR 2016

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

PREPARED BY: --

PHONE NUMBER: --

EMAIL ADDRESS: --

SUBMITTAL DATE: --

STATEMENT OF NET POSITION

ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	14,806,571.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	142,179,987.00
RESTRICTED INVESTMENTS	9,073,643.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	3,263,693.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	223,782.00
DUE FROM FEDERAL GOVERNMENT	990,692.00
INVENTORIES	416,142.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	582,103.00
TOTAL CURRENT ASSETS	**$171,536,613.00**
NONCURRENT ASSETS:	
RESTRICTED ASSETS:	
CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	36,946,737.00
BUILDINGS AND IMPROVEMENTS	100,962,522.00
MACHINERY AND EQUIPMENT	3,340,304.00
INFRASTRUCTURE	88,955,025.00
INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	21,681,308.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	**$251,885,896.00**
TOTAL ASSETS	**$423,422,509.00**
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	4,622,997.00

TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$4,622,997.00**
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$428,045,506.00**
LIABILITIES	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	1,623,237.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	31,609.00
DUE TO FEDERAL GOVERNMENT	2,192,000.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	0.00
OTHER CURRENT LIABILITIES	1,769.00
CURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	1,220,659.00
COMPENSATED ABSENCES PAYABLE	78,033.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	100,000.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	**$5,247,307.00**
NONCURRENT PORTION OF LONG-TERM LIABILITIES:	
CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	1,104,633.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	26,125,671.00
BONDS PAYABLE	0.00
NET OPEB OBLIGATION	12,934,127.00
NET PENSION LIABILITY	34,616,895.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	5,416,378.00
UNEARNED REVENUE	0.00
TOTAL LONG-TERM LIABILITIES	**$80,197,704.00**
TOTAL LIABILITIES	**$85,445,011.00**
DEFERRED INFLOWS OF RESOURCES	
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	1,339,513.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**$1,339,513.00**
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	251,885,896.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	2,060,554.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	**$87,314,532.00**
TOTAL NET POSITION	**$341,260,982.00**

STATEMENT OF ACTIVITIES

		PROGRAM REVENUES		
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	**NET (EXPENSE) REVENUE**
45,369,044.00	5,199,274.00	840,345.00	1,200,451.00	**$(38,128,974.00)**

GENERAL REVENUES	
PAYMENTS FROM PRIMARY GOVERNMENT	1,623,043.00
OTHER	57,625,405.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	**$21,119,474.00**
NET POSITION - BEGINNING	**$320,141,508.00**
NET POSITION - RESTATEMENT	0.00
NET POSITION - ENDING	**$341,260,982.00**

DUES NOTES

Account Type Amounts due from Primary Government	Intercompany (Fund)	Amount
	GF - General Fund	223,782.00
	Total	**$223,782.00**

Account Type Amounts due to Primary Government	Intercompany (Fund)	Amount
	GF - General Fund	31,609.00
	Total	**$31,609.00**

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
111 Veterans Memorial Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

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

To the Board of Commissioners of
Southeast Louisiana Flood Protection Authority – East and
Non-Flood Protection Asset Management Board
New Orleans, 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 combined financial statements of the governmental activities, the business-type activities, and each major fund, of the Southeast Louisiana Flood Protection Authority – East (the Authority), a component unit of the State of Louisiana, as of and for the year ended June 30, 2016, and the related notes to combined financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 16, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 identified one deficiency (2016-01) in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance (2016-02) 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.

Carr, Riggs & Ingram, L.L.C.

September 16, 2016

We have audited the basic financial statements of Southeast Louisiana Flood Protection Authority – East as of and for the year ended June 30, 2016. 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. Our audit of the financial statements as of June 30, 2016 resulted in an unmodified opinion.

SECTION I: SUMMARY OF AUDITORS' REPORT

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

Internal Control:

Material Weaknesses ☒ Yes ☐ No

Significant Deficiencies ☐ Yes ☒ No

Compliance:

Noncompliance Material to Financial Statements ☐ Yes ☒ No

b. *Federal Awards*

A single audit was not required as the expenditure of federal awards did not exceed $750,000.

SECTION II – FINANCIAL STATEMENT FINDINGS

2016-01: Reconciliation of Revenue Accounts

Classification: Financial Statement Finding

Condition: The Non-Flood Protection Asset Management Authority (NFPAMA) does not have adequate policies, procedures, and related internal control regard to the reconciliation of subsidiary ledgers to general ledger.

Criteria: The NFPAMA should have a system of internal controls to which billings, collections and reconciliations of revenue are performed and reviewed in a timely manner.

Cause: It appeared that during the fiscal year management did not take the appropriate action necessary to ensure that the billings, collections and reconciliations were performed timely. A review of the Non Flood aging schedules would have highlighted the delinquencies thus management could have taken the necessary steps to rectify. Furthermore, an issue arose and the billing software stopped operating properly. Management made the decision not to reinstall the software This software was an integral component to the overall financial management system. This compounded the delay in billings and collections.

Effect: This condition represents a material weakness in internal controls.

R**ecommendation**: Management should review controls around revenue at the Non-Flood Division and consider having an internal auditor review the controls of the entity periodically.

Management's Response: The Non Flood Division is currently reviewing and assessing the overall financial management system with emphasis on staffing, computer hardware and software needs. Moreover this assessment will include a review of the internal controls over the accounts receivable and collection function. The Non Flood Division will implement Best Practices to achieve an effective internal control environment.

SECTION III – COMPLIANCE FINDINGS

2016-02: Cash Collateral

Classification: Financial Statement Finding

Condition: During the year ended June 30, 2016, the Orleans Levee District maintained and utilized deposits with financial institutions which were not covered by pledged collateral as required by State of Louisiana Statutes. As of June 30, 2016 the under collateralization at the institutions totaled $22,698.

Criteria: The Orleans Levee District should have a system of internal accounting controls which ensure safeguarding of its assets (cash collateral).

Cause: Oversight by the bank and the Authority to include an immaterial account.

Effect: This condition represents a compliance finding in internal controls.

R**ecommendation**: Management should review monthly the collateral coverage to ensure it is adequate.

Management's Response: The bank where the funds are deposited changed the custodial bank and one of the bank accounts was not coded on the bank side in order to be collateralized. The bank corrected the error and has now included this account in the collateral coverage program. Management and the bank have reviewed and agreed that this account is now in the collateral coverage program.

SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit.

SECTION III – FINDINGS RELATED TO THE AUDIT OF MAJOR FEDERAL PROGRAMS

There were no findings related to the major federal programs.