SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Southeast Louisiana Flood Protection Authority – East
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, and each major fund of the Southeast Louisiana Flood Protection Authority – East (the Authority), as of and for the year ended June 30, 2015, 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.

Auditor's 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 auditor's 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, and each major fund of the Southeast Louisiana Flood Protection Authority – East as of June 30, 2015 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.

Emphasis of Matter

As discussed in Note A and P to the financial statements, management adopted GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and related to pension liabilities. Accordingly, adjustments of ($30,748,647) have been made to beginning net position on the government-wide financial statements to implement the new standards. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, combined budgetary comparison information on page 55, Schedule of Proportionate Share of Net Pension Liability for Louisiana State Employees' Retirement System on page 56, and Schedule of Contributions to Louisiana State Employees' Retirement System on page 57 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 Expenditures and Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 Expenditures of Federal Awards, 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 Expenditures of Federal Awards, 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 4, 2015, 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 4, 2015

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

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, 2015. This document focuses on the current year's activities, resulting changes, and currently known facts relating to the four (4) organizations that currently comprise the whole of the Authority:

- The administrative arm of the Authority
- The East Jefferson Levee District (the EJLD)
- The Lake Borgne Basin Levee District (the LBBLD)
- The Orleans Levee District (the OLD)

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 East 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 East 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 expense are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The "governmental activities" 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 "business-type activities" reflects operations that are financed and operated in a manner similar to private businesses where the Authority charges a fee for services it provides. The Authority's marinas, airport and business park are included here.

The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor. The Authority is a "component unit" of the 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 reports as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Authority maintains 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 Authority, Orleans Levee District (OLD), Real Estate Fund (NF), Lake Borne Levee District, OLD General Improvement Fund, OLD SLIP, and Lake Borne Capital Improvement Fund. All of these funds are considered to be "major" funds.

The Authority adopts annual budgets for all of its General Fund 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 Authority's 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)	**2015**	2014	**2015**	2014	**2015**	2014
Current and other assets	**$ 147,908**	$ 136,600	**$ 7,400**	$ 6,760	**$ 155,308**	$ 143,360
Capital assets	**146,175**	139,683	**101,077**	103,640	**247,252**	243,323
Total assets	**294,083**	276,283	**108,477**	110,400	**402,560**	386,683
Deferred outflows – Pensions	**5,093**	-	**395**	-	**5,488**	-
Current liabilities	**6,639**	6,759	**191**	902	**6,830**	7,661
Noncurrent liabilities	**72,499**	41,769	**3,138**	649	**75,637**	42,418
Total liabilities	**79,138**	48,528	**3,329**	1,551	**82,467**	50,079
Deferred inflows –						
Revenues	**36**	36	**648**	676	**684**	712
Pension	**4,413**	-	**342**	-	**4,755**	-
Net position						
Net Investment capital assets	**146,175**	139,684	**101,077**	103,640	**247,252**	243,324
Restricted	**2,056**	4,247	**-**	-	**2,056**	4,247
Unrestricted	**67,358**	83,789	**3,476**	4,532	**70,834**	88,321
Total net position	**$ 215,589**	$ 227,720	**$ 104,553**	$ 108,172	**$ 320,142**	$ 335,892

- The Authority's net position at the close of fiscal year 2015 was $320.1 million compared with net position a year earlier of $335.9 million, a 4.69% unfavorable change and $15.7 million decrease.
- Significant contributors to the $15.7 million decrease in net position included the $31.6 million initial set up of the pension liability.
- Non-Flood Proprietary Fund Current Liabilities decreased by $703 thousand due to construction projects being completed during 2015 resulting in a decrease in contracts payable and retainage payable at the end of the 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)	**2015**	2014	**2015**	2014	**2015**	2014
Program revenues	**$ 3,396**	$ 2,789	**$ 6,648**	$ 8,529	**$ 10,044**	$ 11,318
Program expenses	**(37,961)**	(41,296)	**(8,552)**	(8,051)	**(46,513)**	(49,347)
Program loss	**(34,565)**	(38,507)	**(1,904)**	478	**(36,469)**	(38,029)
General revenues	**51,112**	62,283	**498**	492	**51,610**	62,775
Transfers out	**(142)**	-	**-**	-	**(142)**	-
Change in net position	**$ 16,405**	$ 23,776	**$ (1,406)**	$ 970	**$ 14,999**	$ 24,746

- General revenues at OLD decreased by $11 million. In 2014 OLD recognized a gain on the settlement of a lawsuit as a result of funds set up as a long term liability for this suit. This gain was a non-recurring transaction. Also, OLD received a $4.4 million non-recurring federal grant in 2014. The majority of the decrease in program revenue is due to a decrease in Federal Emergency Management Agency (FEMA) revenues for the business-type operations of OLD.
- Non-Flood Proprietary Fund Program revenues decreased by $1.88 million due to a decrease in Federal Emergency Management Agency (FEMA) revenues because of the completion and close of large FEMA construction projects in the previous year.

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)	**2015**	2014	**2015**	2014	**2015**	2014
Land	**$ 14,072**	$ 14,048	**$ 22,055**	$ 22,055	**$ 36,127**	$ 36,103
Buildings and improvements	**10,564**	10,406	**76,013**	78,993	**86,577**	89,432
Moveable property	**3,057**	2,794	**101**	71	**3,158**	2,832
Infrastructure	**85,274**	89,368	**90**	109	**85,364**	89,477
Construction in progress	**33,208**	23,067	**2,818**	2,412	**36,026**	25,479
Total	**$ 146,175**	$ 139,683	**$ 101,077**	$ 103,640	**$ 247,252**	$ 243,323

Governmental fixed assets increased by $6.5 million with the OLD increasing its construction work in progress by $9 million, largely related to erosion control on Lake Ponchartrain.

Long-Term Obligations

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

	Governmental		Business-Type		Total	
(In Thousands)	**2015**	2014	**2015**	2014	**2015**	2014
Accrued compensated absences	**$ 976**	$ 967	**$ 79**	$ 75	**$ 1,055**	$ 1,042
Accrued interest payable	**4,449**	3,586	**-**	-	**4,449**	3,586
Notes payable	**26,126**	26,126	**-**	-	**26,126**	26,126
Judgments and legal claims payable	**525**	200	**-**	-	**525**	200
Post-employment benefit liability	**11,540**	10,889	**779**	575	**12,319**	11,464
Pension liability	**29,385**	-	**2,279**	-	**31,664**	-
Total	**$ 73,001**	$ 41,768	**$ 3,137**	$ 650	**$ 76,138**	$ 42,418
Deferred Inflows						
Revenue	**$ 36**	$ 36	**$ 648**	$ 676	**$ 684**	$ 712
Pension	**4,413**	-	**342**	-	**4,755**	-
Total	**$ 4,449**	$ 36	**$ 991**	$ 676	**$ 5,439**	$ 712

- The majority of the $33.9 million increase in total long term obligations is due to the pension liability set up by the Authority.
- The $31.6 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 of $4.9 million in revenues was revised to $3.9 million due to delays in major maintenance funded by grant revenue. Actual results yielded a decrease of $0.7 million from the original budget and an increase of $0.2 million to the amended budget mainly due to the decrease in operating grants. The OLD's budget was $18.6 million for the General Fund and $15.5 for the SLIP fund. The OLD budget was not revised. Actual results yielded an increase of $1.4 million to the budget primarily because of an increase in ad valorem taxes. General Revenues decreased in 2015 by $11M because in 2014 we had recognized a gain on a decrease of a settlement. The EJLD's original budget was $9.9 million while the amended budget had revenues of $10.7 million. Actual results were $.6 million higher than the amended budget with the majority of the variance due to interest income. The Authority's General Fund original budget called for a total of $1.7 million in revenues while the amended budget had revenues of $1.5 million.

Expenditures
The LBBLD's original budget was $5.3 million in expenditures while the amended budget was $4.5 million with the majority of the difference due to delays in major capital improvement. The actual results yielded a favorable variance of $0.6 million to the original budget and an unfavorable variance of $0.20 million to the amended budget. The EJLD's original budget was $28.9 million while the amended budget had expenditures of $10.5 million with the majority of the variance due to a delay in construction of the safe house. Actual results yielded a favorable variance of $21.1 million from the original budget and a $2.7 million favorable variance from the amended budget due a decrease in safe house and building expenditures. The Authority's original budget called for a total of $1.5 million while the amended budget had expenditures of $1.3 million. Actual results yielded a favorable variance of $0.1 million from the original budget and no variance from the amended budget. The OLD's budget was $16.7 million for the General Fund and $18.47 for the Slip Fund. The budget was not revised. 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 – general funds on Schedule 1 of this report.

The budget of the Authority's General Fund was amended on June 18, 2015. LBBLD's amended budget was adopted on June 18, 2015. The EJLD's amended budget was adopted on May 21, 2015.

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 CERM Building, Suite 422, 2045 Lakeshore Drive, New Orleans, Louisiana 70122.

BASIC COMBINED FINANCIAL STATEMENTS

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

As of June 30,			**2015**
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and cash equivalents	$ 106,308,038	$ -	$ 106,308,038
Investments	36,016,858	-	36,016,858
Receivables	1,902,802	364,364	2,267,166
Due from other funds, net	(4,952,713)	4,952,713	-
Due from other governments	845,802	2,017,846	2,863,648
Inventory	513,961	-	513,961
Other assets	525,800	65,209	591,009
Restricted investments	6,747,694	-	6,747,694
Total Current Assets	147,908,242	7,400,132	155,308,374
NONCURRENT ASSETS			
Capital assets			
Land	14,072,462	22,054,735	36,127,197
Other capital assets, net of depreciation	132,102,462	79,022,123	211,124,585
Total Noncurrent Assets	146,174,924	101,076,858	247,251,782
Total Assets	294,083,166	108,476,990	402,560,156
DEFERRED OUTFLOWS OF RESOURCES– Pension deferrals	5,092,518	394,990	5,487,508
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	1,974,114	54,568	2,028,682
Contracts payable	1,890,067	109,158	1,999,225
Accrued compensated absences	50,329	25,999	76,328
Judgement and claims payable due in less than one year	500,000	-	500,000
Due to other agencies	2,223,609	-	2,223,609
Other liabilities	-	1,767	1,767
Total Current Liabilities	6,638,119	191,492	6,829,611
NONCURRENT LIABILITIES			
Accrued compensated absences	975,601	78,747	1,054,348
Accrued interest payable	4,448,831	-	4,448,831
Note payable due in more than one year	26,125,671	-	26,125,671
Judgement and claims payable due in more than one year	25,000	-	25,000
Post-employment benefit liability	11,539,659	779,254	12,318,913
Net pension liability	29,384,725	2,279,167	31,663,892
Total Noncurrent Liabilities	72,499,487	3,137,168	75,636,655
Total Liabilities	79,137,606	3,328,660	82,466,266
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	36,176	648,334	684,510
Pension deferrals	4,413,088	342,292	4,755,380
Total Deferred Inflows of Resources	4,449,264	990,626	5,439,890
COMMITMENTS AND CONTINGENCIES (Notes X,Y,Z)	-	-	-
NET POSITION			
Net investment in capital assets	146,174,924	101,076,858	247,251,782
Restricted for:			
Debt service	2,055,652	-	2,055,652
Unrestricted	67,358,238	3,475,836	70,834,074
TOTAL NET POSITION	**$ 215,588,814**	**$ 104,552,694**	**$ 320,141,508**

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
STATEMENT B

For the year ended June 30,							**2015**
		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	$ 37,098,602	$ 157,271	$ 1,765,027	$ 1,473,245	$ (33,703,059)	$ -	$ (33,703,059)
Interest	862,648	-	-	-	(862,648)	-	(862,648)
Total Governmental Activities	37,961,250	157,271	1,765,027	1,473,245	(34,565,707)	-	(34,565,707)
BUSINESS-TYPE ACTIVITIES							
Airport	5,400,417	2,225,733	-	1,312,516	-	(1,862,168)	(1,862,168)
Southshore Harbor	2,033,101	586,082	-	81,316	-	(1,365,703)	(1,365,703)
Other real estate	1,118,077	2,424,551	-	17,881	-	1,324,355	1,324,355
Total Business-type Activities	8,551,595	5,236,366	-	1,411,713	-	(1,903,516)	(1,903,516)
TOTAL	**$ 46,512,845**	**$ 5,393,637**	**$ 1,765,027**	**$ 2,884,958**	**(34,565,707)**	**(1,903,516)**	**(36,469,223)**

	Governmental Activities	Business-Type Activities	Total
GENERAL REVENUES, SPECIAL ITEMS AND TRANSFERS			
General Revenues			
Property taxes	46,578,342	-	46,578,342
Unrestricted intergovernmental revenues	1,762,557	-	1,762,557
Unrestricted investment earnings	1,113,370	-	1,113,370
Miscellaneous income	2,160,319	497,617	2,657,936
Special Items and Transfers			
Litigation payments	(784,488)		(784,488)
Gain on sale of property	282,320	-	282,320
Transfers	(142,319)	-	(142,319)
Total General Revenues, Special Items and Transfers	50,970,101	497,617	51,467,718
CHANGE IN NET POSITION	16,404,394	(1,405,899)	14,998,495
NET POSITION – Beginning of Year	227,719,779	108,171,881	335,891,660
RESTATEMENT OF NET POSITION	(28,535,359)	(2,213,288)	(30,748,647)
NET POSITION - Beginning of the year, restated	199,184,420	105,958,593	305,143,013
NET POSITION – End of Year	**$ 215,588,814**	**$ 104,552,694**	**$ 320,141,508**

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

COMBINED FUNDS FINANCIAL STATEMENTS

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

As of June 30,									2015
	Authority General Fund	OLD General Fund	EJLD General Fund	LBBLD General Fund	OLD Real Estate Fund	OLD General Improvement Fund	OLD Slip Fund	LBBLD Capital Project Fund	Total Governmental Funds
				ASSETS					
Cash and cash equivalents	$ 270,986	$ 29,262,634	$ 6,545,220	$ 4,106,568	$ 460,224	$ -	$ 65,143,891	$ 518,515	$ 106,308,038
Investments	-	-	33,530,874	-	2,485,984	-	-	-	36,016,858
Receivables	-	709,437	4,313	12,880	6,041	-	358,644	-	1,091,315
Due from other funds	118,224	7,531,405	(29,436)	(11,887)	(5,431,156)	(2,219,159)	42,009	-	-
Due from proprietary funds					(4,952,713)				(4,952,713)
Due from other governments	-	-	-	168,498	209,779	443,825	23,700	-	845,802
Inventory	-	306,979	-	206,982	-	-	-	-	513,961
Restricted investments	-	3,260,633	2,192,000	-	-	-	1,295,061	-	6,747,694
Other assets	46,901	410,350	56,528	-	12,021	-	-	-	525,800
TOTAL ASSETS	**$ 436,111**	**$ 41,481,438**	**$ 42,299,499**	**$ 4,483,041**	**$ (7,209,820)**	**$ (1,775,334)**	**$ 66,863,305**	**$ 518,515**	**$ 147,096,755**
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIIES									
Accounts payable	$ 51,670	$ 643,874	$ 179,459	262,328	$ 344,041	$ -	$ 492,742	$ -	1,974,114
Contracts payable	-	-	-	-	-	86,935	1,803,132	-	1,890,067
Due to other agencies	-	-	2,192,000	-	-	31,609	-	-	2,223,609
Total Liabilities	51,670	643,874	2,371,459	262,328	344,041	118,544	2,295,874	-	6,087,790
DEFERRED INFLOWS OF RESOURCES–									
Deferred revenue	-	335,224	-	-	-	-	-	-	335,224
FUND BALANCES									
Nonspendable									
Prepaid and other assets	46,901	410,350	56,528	-	12,021	-	-	-	525,800
Inventory	-	306,979	-	206,982	-	-	-	-	513,961
Due (to) from other funds	-	-	-	-	-	-	-	-	-
Restricted									
Debt service	-	760,591	-	-	-	-	1,295,061	-	2,055,652
Committed									
Hurricanes	-	-	-	-	-	-	-	-	-
Maintenance of capital assets	-	-		-	-	-	-	-	-
Employee Benefits	-	2,500,042	-	-	-	-	-	-	2,500,042
Capital assets	-	-	-	-	-	-	34,000,618	-	34,000,618
Assigned	-	-	-	-	-	-	29,271,752	-	29,271,752
Unassigned	337,540	36,524,378	39,871,512	4,013,731	(7,565,882)	(1,893,878)	-	518,515	71,805,916
Total Fund Balances (Deficit)	384,441	40,502,340	39,928,040	4,220,713	(7,553,861)	(1,893,878)	64,567,431	518,515	140,673,741
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 436,111**	**$ 41,481,438**	**$ 42,299,499**	**$ 4,483,041**	**$ (7,209,820)**	**$ (1,775,334)**	**$ 66,863,305**	**$ 518,515**	**$ 147,096,755**

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,	**2015**
TOTAL GOVERNMENTAL FUND BALANCES (Statement C)	$ 140,673,741
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 $104,938,276	146,174,924
Assets that are not due and receivable within 60 days of year-end and, therefore, and not reported in the funds	
Accounts receivable	811,487
Net deferred revenues reported in the funds that were previously recognized in governmental activities	299,048
Contributions to the pension plan in the current fiscal year, changes in proportion and differences between employers contribtions and proportion of shared contributions are deferred outflows of resources on the statement of net position	5,092,518
Pension related deferrals are deferred inflows of resources on the statement of net position	(4,413,088)
Liabilities that are not due and payable within 60 days of year-end and, therefore, and not reported in the funds	
Accrued compensated absences	(1,025,930)
Long-term note payable	(26,125,671)
Accrued interest payable	(4,448,831)
Judgments and claims payable	(525,000)
Post-employment benefit liability	(11,539,659)
Net pension liability	(29,384,725)
NET POSITION OF GOVERNMENTAL ACTIVITIES (Statement A)	**$ 215,588,814**

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, **2015**

	Authority General Fund	OLD General Fund	EJLD General Fund	LBBLD General Fund	OLD Real Estate Fund	OLD General Improvement Fund	OLD SLIP Fund	LBBLD Capital Projects Fund	Total Governmental Funds
REVENUES									
Taxes	$ -	$ 18,069,731	$ 9,092,546	$ 3,635,279	$ -	$ -	$ 15,889,546	$ -	$ 46,687,102
Intergovernmental	-	1,060,892	531,456	170,209	-	-	-	-	1,762,557
Interest earnings	81	7,799	1,078,660	6,068	591	-	17,585	2,586	1,113,370
Royalties, leases, and permits	-	157,271	-	-	-	-	-	-	157,271
Operating Grants	-	18,387	402,820	261,689	-	1,082,131	-	-	1,765,027
Payments from subs	1,473,245	-	-	-	-	-	-	-	1,473,245
Other	51,066	695,536	179,288	60,946	551,322	-	622,161	-	2,160,319
Total Revenues	1,524,392	20,009,616	11,284,770	4,134,191	551,913	1,082,131	16,529,292	2,586	55,118,891
EXPENDITURES									
Flood and drain protection	1,407,290	13,971,777	7,322,471	4,359,188	1,207,571	198,240	1,966,792	-	30,433,329
Capital outlay	-	-	164,539	199,217	-	495,372	11,489,262	-	12,348,390
Total Expenditures	1,407,290	13,971,777	7,487,010	4,558,405	1,207,571	693,612	13,456,054	-	42,781,719
Excess (deficiency) of revenues over expenditures	117,102	6,037,839	3,797,760	(424,214)	(655,658)	388,519	3,073,238	2,586	12,337,172
OTHER FINANCING SOURCES (USES)									
Gain on sale of capital assets	-	301,134	-	-	2,730	-	-	-	303,864
Transfers out	-	(142,319)	-	-	-	-	-	-	(142,319)
Litigation payments, net	-	(308,988)	-	(150,500)	-	-	-	-	(459,488)
Total Other Financing Sources (Uses)	-	(150,173)	-	(150,500)	2,730	-	-	-	(297,943)
NET CHANGES IN FUND BALANCES	**117,102**	**5,887,666**	**3,797,760**	**(574,714)**	**(652,928)**	**388,519**	**3,073,238**	**2,586**	**12,039,229**
FUND BALANCES – Beginning of Year	267,339	34,614,674	36,130,280	4,795,427	(6,900,933)	(2,282,397)	61,494,193	515,929	128,634,512
FUND BALANCES – End of Year	**$ 384,441**	**$ 40,502,340**	**$ 39,928,040**	**$ 4,220,713**	**$ (7,553,861)**	**$ (1,893,878)**	**$ 64,567,431**	**$ 518,515**	**$ 140,673,741**

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 AND CHANGES IN NET POSITION
STATEMENT E

For the year ended June 30,		**2015**
NET CHANGES IN FUND BALANCE - Total Governmental Funds (Statement D)	$	12,039,229
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		12,379,068
Depreciation expense		(5,866,024)
Loss on disposal of capital asset		(21,544)
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		(862,648)
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		(108,760)
Expenses in the Combined Statement of Activities and Changes in Net Position which do not use current financial resources are not reported as expenses on the governmental funds		(325,000)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		3,049,156
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		(9,516)
Post-employment benefit cost		(650,475)
Pension expense		(3,219,092)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (STATEMENT B)	**$**	**16,404,394**

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,				2015
	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	35,880	184,721	143,763	364,364
Due from other governments	218,761	1,760,775	38,310	2,017,846
Due from other funds	2,231,425	(9,375,411)	12,096,699	4,952,713
Other assets	2,884	58,523	3,802	65,209
Total Current Assets	2,488,950	(7,371,392)	12,282,574	7,400,132
NONCURRENT ASSETS				
Land	3,358,103	15,449,799	3,246,833	22,054,735
Other capital assets, net of depreciation	14,726,378	62,751,429	1,544,316	79,022,123
Total Noncurrent Assets	18,084,481	78,201,228	4,791,149	101,076,858
Total Assets	20,573,431	70,829,836	17,073,723	108,476,990
DEFERRED OUTFLOWS OF RESOURCES - Pension deferrals	68,307	256,972	69,711	394,990
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSTION				
CURRENT LIABILITIES				
Accounts payable	25,535	11,840	17,193	54,568
Contracts payable	-	109,158	-	109,158
Accrued compensated absences	-	25,999	-	25,999
Other liabilities	1,500	-	267	1,767
Total Current Liabilities	27,035	146,997	17,460	191,492
NONCURRENT LIABILITIES				
Post-employment benefit liability	123,851	501,076	154,327	779,254
Net pension liability	394,136	1,482,781	402,250	2,279,167
Accrued compensated absences	8,519	52,787	17,441	78,747
Total Noncurrent Liabilities	526,506	2,036,644	574,018	3,137,168
Total Liabilities	553,541	2,183,641	591,478	3,328,660
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	428,362	219,972	-	648,334
Pension deferrals	59,193	222,688	60,411	342,292
Total Deferred Inflows of Resources	487,555	442,660	60,411	990,626
NET POSITION				
Net investment in capital assets	18,084,481	78,201,228	4,791,149	101,076,858
Unrestricted	1,516,161	(9,740,721)	11,700,396	3,475,836
TOTAL NET POSITION	**$ 19,600,642**	**$ 68,460,507**	**$ 16,491,545**	**$ 104,552,694**

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

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
STATEMENT G

For the year ended June 30,				2015
	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	$ 586,082	$ 1,585,387	$ 2,424,551	$ 4,596,020
Fuel storage fees	-	640,346	-	640,346
Total charges for service	586,082	2,225,733	2,424,551	5,236,366
Miscellaneous	2,886	461,177	33,554	497,617
Total Operating Revenues	588,968	2,686,910	2,458,105	5,733,983
OPERATING EXPENSES				
Personnel services	262,853	1,020,981	271,187	1,555,021
Travel	-	1,144	-	1,144
Contractual services	334,307	1,425,569	457,935	2,217,811
Materials and supplies	29,350	93,968	81,745	205,063
Professional services	106,320	606,615	78,796	791,731
Other charges	15,431	131,697	53,729	200,857
Depreciation	1,284,840	2,053,571	174,685	3,513,096
Major maintenance	-	66,872	-	66,872
Total Operating Expenses	2,033,101	5,400,417	1,118,077	8,551,595
NET OPERATING INCOME (LOSS)	(1,444,133)	(2,713,507)	1,340,028	(2,817,612)
NONOPERATING REVENUES				
Grant income	81,316	1,312,516	17,881	1,411,713
Total Nonoperating Revenues	81,316	1,312,516	17,881	1,411,713
CHANGES IN NET POSITION	**(1,362,817)**	**(1,400,991)**	**1,357,909**	**(1,405,899)**
TOTAL NET POSITION - Beginning of Year as previously reported	21,346,203	71,301,419	15,524,259	108,171,881
Prior period adjustment	(382,744)	(1,439,921)	(390,623)	(2,213,288)
Total NET POSITION - Beginning of Year; restated	20,963,459	69,861,498	15,133,636	105,958,593
TOTAL NET POSITION - End of Year	**$ 19,600,642**	**$ 68,460,507**	**$ 16,491,545**	**$ 104,552,694**

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,				2015
	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	$ 562,039	$ 2,225,438	$ 2,396,757	$ 5,184,234
Other operating cash receipts	2,886	461,177	33,554	497,617
Payments to suppliers	(401,463)	(1,835,572)	(2,238,548)	(4,475,583)
Payments to employees	(255,714)	(855,368)	(220,954)	(1,332,036)
Net cash used in operating activities	(92,252)	(4,325)	(29,191)	(125,768)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from federal and state grants	92,252	1,647,985	29,191	1,769,428
Purchase of capital assets	-	(1,643,660)	-	(1,643,660)
Net cash provided by capital and related financing activities	92,252	4,325	29,191	125,768
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)	$ (1,444,133)	$ (2,713,507)	$ 1,340,028	$ (2,817,612)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:				
Cash flows reported in other categories				
Depreciation expense	1,284,840	2,053,571	174,684	3,513,095
Change in assets and liabilities				
Receivables, net	(24,043)	(295)	(27,794)	(52,132)
Due from other funds	85,469	505,456	(1,543,966)	(953,041)
Prepaid expenses and other assets	(1,524)	(17,923)	(1,534)	(20,981)
Deferred outflows pensions	(68,307)	(256,972)	(69,711)	(394,990)
Accounts and other payables	-	2,760	(8,765)	(6,005)
Post-employment benefit liability	4,957	152,011	46,818	203,786
Net pension liability	11,392	42,860	11,627	65,879
Other liabilities	-	-	(12,077)	(12,077)
Accrued compensated absences	(96)	5,026	1,088	6,018
Change in deferred inflow of resources	59,193	222,688	60,411	342,292
Net cash used in operating activities	**$ (92,252)**	**$ (4,325)**	**$ (29,191)**	**$ (125,768)**

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

NOTES TO 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 Louisiana Revised Statute 38:330.1. The Authority's primary purpose is regional coordination of flood protection of the following levee districts and parts of levee districts and parishes:

- East Jefferson Levee District
- Lake Borgne Basin Levee District
- That portion of the Orleans Levee District east of the Mississippi River

For the purposes of this report, the Authority, as a result of LA RS 28:291(G), 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 governing board administers the operations and responsibilities of the Levee Districts in accordance with the provisions of Louisiana statutes.

- *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 and operates 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 60 full-time employees.
- *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 32 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.

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).

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.

The OLD Real Estate fund is organizationally a non-flood control fund and is the administrative fund for the Non-Flood Division; 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 Real Estate fund and organizationally a part of the Non-Flood Division. 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 and changes in net position) 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 and changes in net position demonstrates the degree to which the direct expenses of the given functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function (allocated to functions based on actual revenues and expenditures) and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as general revenues.

Net position is displayed in three components:

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

Basis of Accounting

In April 1984, the Financial Accounting Foundation established the 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.

Fund Balance

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

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Authority to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable

requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

- *Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Authority. Those committed amounts cannot be used for any other purpose unless the Authority removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- *Assigned* – This component consists of amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. The authorization for assigning fund balance is expressed by the Authority or the designee as established in the Authority's Fund Balance Policy.
- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources in the following order: committed resources first, then assigned, and then unassigned as they are needed.

Net Position

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

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.

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.

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 capital facilities of the Non-Flood Division.

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.

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.

Adoption of New Financial Accounting Standards

The following Accounting Standards Update (ASU) recently issued and adopted by the GASB impacted the Authority’s financial statements:

In June 2012 the Governmental Accounting Standards Board Statement (GASB) issued GASB No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27 replaces Statement 27 Accounting for Pensions by State and Local Governmental Employers and Statement 50 Pension Disclosures.* GASB 68 requires governments providing defined benefit plans to report the net pension liability in their statement of net position. This net pension liability is the difference between the present value of the pension liability and the fair value of pension assets, set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The financial statements have been adjusted to reflect retroactive application as of July 1, 2014. As such, the impact of the cumulative effect of the change in accounting principle on net position as of July 1, 2014 is a decrease of $33,585,690 to reflect beginning net pension liability.

In November 2013 the Governmental Accounting Standards Board Statement issued GASB No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*, requires that if a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

Additionally, in those circumstances, no beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions should be recognized. At the beginning of the period in which the provisions of Statement 68 are adopted, there may be circumstances in which it is not practical for a government to determine the amounts of all applicable deferred inflows of resources and deferred outflows of resources related to pensions. In such circumstances, the government should recognize a beginning deferred outflow of resources and deferred inflows of resources related to pensions should be recognized. The financial statements have been adjusted to reflect retroactive application as of July 1, 2014. As such, the impact of the cumulative effect of the change in accounting principle on net position as of July 1, 2014 is an increase of $2,837,043 to reflect beginning deferred pension contributions.

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 until then. The Authority has two items that meets this criterion, contributions made to the pension plan in the 2015 fiscal year and deferrals of changes in proportion and differences between Authority contributions and proportionate share of contributions. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has two items that meet the criterion for this category, deferred revenue from the Federal Emergency Management Association (FEMA) and deferrals of pension expense 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 (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cash and Cash Equivalents

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

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

Cash and cash equivalents are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of commercial paper held by the state treasurer. The Authority was fully covered by the Federal Deposit Insurance Corporation (FDIC) and pledged securities at June 30, 2015.

Investments

Nearly all investments held by general purpose governments are required to be reported at fair value in their basic financial statements by GASB Codification I50 *Investment.*

Receivables

All receivables are shown net of allowance for doubtful accounts.

Interfund Receivables or Payables

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

Inventory

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

Capital Assets

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

	Years
Land improvements	20
Buildings and building improvements	40
Furniture and fixtures	7-10
Vehicles	7
Equipment	3-20
Infrastructure	40

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.

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.

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 a 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.

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 20, 2014. The amended budgets for Authority GF and LBBLD were adopted on June 18, 2015. The amended budget for EJLD was adopted on May 21, 2015. The OLD budget was 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 $4,840,500 in revenues and the revised budget was $3,890,500 reflecting delays in major maintenance funded by grant revenue. Actual results yielded a decrease of $706,309 to the original budget and an increase of $243,691 to the amended budget mainly due to the increase in governmental revenues. The OLD's budget was $18,643,800 for the General Fund and $15,463,550 for the SLIP Fund. The OLD budget was not revised. Actual results yielded an increase of $1.4 million to the original budget primarily because of an increase in ad valorem taxes. The EJLD's original budget was $9,928,000, while the amended budget had revenues of $10,723,197. Actual results yielded amounts comparable to the amended budget with a change of $795,197. The Authority's original budget called for a total of $1,761,400, while the amended budget had revenues of $1,517,000.

- *Expenditures* – The LBBLD's original budget was $5,325,500 in expenditures while the amended budget was $4,526,000, with the majority of the difference due to delays in major capital improvement related expenditures. The actual results yielded an unfavorable variance to the amended budget of $182,906. The EJLD's original budget was $28,979,803 while the amended budget had expenditures of $10,497,411. Actual results yielded a favorable variance of $2,676,000 from the amended budget mainly due to delays in the construction of the safe house. The Authority's original budget called for a total of $1,761,300 while the amended budget decreased to $1,517,000. The OLD's budget was $16,707,190 for the General Fund and $18,475,000 for the Slip Fund. The budget for OLD was not revised. 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 – general 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. Under state law, the Authority may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana. Furthermore, the Authority may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

Authority	$ 220,986
Orleans Levee District	667,933
East Jefferson Levee District	6,549,442
Lake Borgne Basin Levee District	4,625,053
Total	**$ 12,063,414**

Amounts deposited in banks:

	Cash	Certificates of Deposit	LAMP	Total
Balance per agency books	$12,063,414	$35,722,874	$101,286,302	$149,072,590
Deposits in bank accounts per bank	12,824,154	35,722,874	101,286,302	149,833,330
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	-	-	-	-
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	-	-	-	-

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. The market value of the pledged securities plus the federal deposit insurance at all times equaled the amount on deposit with the fiscal agent. Because the securities are held by the pledging fiscal agent in the respective District's name, the Authority does not have any custodial credit risk. In addition, the Louisiana Asset Management Pool (LAMP) investments of $90,194,940 of OLD are included in the amounts of cash and cash equivalents because they are readily available and $1,295,061 are included in restricted investments.

Note 2: Investments

At June 30, 2015, the Authority had an investment of $101,286,302 with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit Authority, 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 money market-like investment pool. The following facts are relevant for money market-like investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- 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: Money market-like investment pools are excluded from this disclosure requirement, per GASB Codification I50.
- 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. As of June 30, 2015, the EJLD reported a fair value of $35,722,874 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, 2015, were as follows:

	Governmental	Proprietary
Bridges and roadways	$ 72,065,171	$ -
Parks and recreation	2,288,856	351,137
Buildings	1,823,093	-
Subtotal – other infrastructure assets	76,177,120	351,137
Flood protection systems	87,661,596	49,974
Total – infrastructure assets	**$ 163,838,716**	$ 401,111

Accumulated depreciation on infrastructure assets amounted to $78,566,040 and $310,893 for Governmental and Proprietary infrastructure assets, respectively, at year-end.

Changes in capital assets for the year ended June 30, 2015 are shown on the following schedule:

Government Activities:	**30-Jun-14**	**Additions**	**Deletions**	**30-Jun-15**
Capital assets not being depreciated				
Land	$ 14,048,432	$ 24,030	$ -	$ 14,072,462
Construction in progress	23,067,312	11,228,910	(1,087,688)	33,208,534
Total capital assets not being depreciated	37,115,744	11,252,940	(1,087,688)	47,280,996
Capital assets being depreciated				
Buildings	16,123,554	-	-	16,123,554
Improvements other than buildings	11,730,515	1,252,227	(531,649)	12,451,093
Equipment	11,998,171	961,590	(1,540,920)	11,418,841
Infrastructure	163,838,716	-	-	163,838,716
Total capital assets being depreciated	203,690,956	2,213,817	(2,072,569)	203,832,204
Less accumulated depreciation for:				
Buildings	8,239,914	505,058	-	8,744,972
Improvements other than buildings	9,208,345	571,462	(514,111)	9,265,696
Equipment	9,204,489	693,993	(1,536,914)	8,361,568
Infrastructure	74,470,529	4,095,511	-	78,566,040
Total accumulated depreciation	101,123,277	5,866,024	(2,051,025)	104,938,276
Total capital assets, being depreciated, net	102,567,679	(3,652,207)	(21,544)	98,893,928
Total governmental activities capital assets	**$ 139,683,423**	**$ 7,600,733**	**$ (1,109,232)**	**$ 146,174,924**

Business Activities:	**30-Jun-14**	**Additions**	**Deletions**	**30-Jun-15**
Capital assets not being depreciated				
Land	$ 22,054,735	$ -	$ -	$ 22,054,735
Construction in progress	2,411,542	902,774	(496,405)	2,817,911
Total capital assets not being depreciated	24,466,277	902,774	(496,405)	24,872,646
Capital assets being depreciated				
Buildings	56,846,618	390,419	-	57,237,037
Improvements other than buildings	99,086,300	105,987	-	99,192,287
Equipment	1,730,106	47,190	(422,256)	1,355,040
Infrastructure	401,111	-	-	401,111
Total capital assets being depreciated	158,064,135	543,596	(422,256)	158,185,475
Less accumulated depreciation for:				
Buildings	8,578,123	1,460,808	-	10,038,931
Improvements other than buildings	68,361,153	2,015,865	-	70,377,018
Equipment	1,659,475	17,202	(422,256)	1,254,421
Infrastructure	291,670	19,223	-	310,893
Total accumulated depreciation	78,890,421	3,513,098	(422,256)	81,981,263
Total capital assets, being depreciated, net	79,173,714	(2,969,4502)	-	76,204,212
Total business activities capital assets	**$ 103,639,991**	**$ (2,066,728)**	**$ (496,405)**	**$ 101,076,858**

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, 2015, as shown on Statement A, amounted to $6,747,694. Restricted assets consisted of $760,591 in OLD General fund and $1,295,061 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 $2,500,042 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 financial statements 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, 2015 was $1,130,676.

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

Benefits Provided

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

Retirement

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

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

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

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

Deferred Retirement Benefits

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

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

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

Contributions

Contribution requirements of active employees are governed by 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, 2015 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%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	37%
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37%
Legislators	Closed	11.5%	41.2%
Special Legislative Employees	Closed	9.5%	41.2%
Judges hired before 1/1/2011	Closed	11.5%	41.5%
Judges hired after 12/31/2010	Open	13.0%	36.2%
Corrections Primary	Closed	9.0%	39.9%
Corrections Secondary	Closed	9.0%	40.8%
Wildlife Agents	Closed	9.5%	46.9%
Peace Officers	Closed	9.0%	41.5%
Alcohol Tobacco Control	Closed	9.0%	44.8%
Bridge Police	Closed	8.5%	35.3%
Hazardous Duty	Open	9.5%	35.6%

The Authority's contractually required composite contribution rate for the year ended June 30, 2015 was 37% 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 $3,285,657 for the year ended June 30, 2015.

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, 2015, the Authority reported a liability of $31,663,892 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 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, 2014, the Authority's proportion was 0.50639%, which was an increase of .04534% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Authority recognized pension expense of $2,460,540 plus the Authority's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of $1,008,234.

At June 30, 2015, 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	$ -	$ 564,212
Net difference between projected and actual earnings on pension plan investments	-	4,005,785
Changes in proportion and differences between employer contributions and proportion of shared contributions	2,201,851	185,383
Employer contributions subsequent to the measurement date	3,285,657	-
Total	$ 5,487,508	$ 4,755,380

Deferred outflows of resources of $3,285,657 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 ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$(275,318)
2017	(275,318)
2018	(1,001,446)
2019	(1,001,447)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2014 are as follows:

Valuation Date	June 30, 2014
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.

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.50%
Domestic equity	27%	4.69%
International equity	30%	5.83%
Domestic Fixed Income	11%	2.34%
International Fixed Income	2%	4.00%
Alternative Investments	23%	8.09%
Global Asset Allocation	7%	3.42%
Total	100%	5.78%

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.

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	$ 40,611,508	$ 31,663,892	$ 24,079,514

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2014 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan

Payables to the Pension Plan for contractually required contributions were $113,285 as of June 30, 2015.

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.

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 three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Medical Home HMO Plan, and the Consumer Driven Health Plan with HAS (Actives Only). Depending upon the Plan selected, during fiscal year 2015 employee premiums for a single member receiving benefits range from $59 to $90 per month for retiree-only coverage with Medicare, to $99 to $148 per month for retiree-only coverage without Medicare. The fiscal year 2015 premiums for retiree and spouse range from $107 to $161 per month for both retiree and spouse with Medicare, to $320 to $482 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 $179 to $270 per month for retiree-only coverage with Medicare or from $861 to $956 per month for retiree-only coverage without Medicare, during fiscal year 2015. Also, the LBBLD and OLD’s contributions range from $321 to $485 per month for both retiree and spouse with Medicare to $975 to $1,469 for retiree and spouse without Medicare.

The employees/retirees of EJLD have a choice between two plans. The first plan employees pay no portion of and EJLD contributes $692 for single coverage for employee/retiree, $1,280 for employee/retiree and child coverage, $1,453 for employee/retiree and spouse coverage, and $2,006 for full family coverage. The second plan, EJLD contributes $691 for employee/retiree coverage and $1,453 for employee/retiree and spouse coverage with the employee contributing $61 for employee/retiree coverage and $129 employee/retiree and spouse coverage to the plan.

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, premium rates are adjusted every five years to reflect an increase in cost as retirees move from one age group to another. Coverage is based on the retiree’s salary at the time of retirement, up to a maximum of $50,000. Retirees contribute 30 cents per thousand dollars of coverage or 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, 2015, 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.

In the July 1, 2014 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, 2014 was 30 years.

In the most recently issued actuarial valuation, dated July 1, 2014, 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, 2014 was 30 years.

Benefits paid in 2015 by the OLD totaled $747,491 for the 83 retirees. 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, 2015 totaled $90,394 for the 23 retirees. Benefits paid by LBBLD for the year ended June 30, 2015 totaled $53,050 for the 15 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, 2015 were:

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

The following table presents the OLD's OPEB obligation for the year ended June 30, 2015:

Beginning net OPEB obligation, July 1, 2014	$ 7,458,600
Annual required contribution	1,179,442
Interest on net OPEB obligation	298,344
Adjustment to ARC	(431,331)
OPEB cost	8,505,055
Contributions made (retiree cost)	(747,491)
Ending net OPEB obligation, June 30, 2015	**$ 7,757,564**

The funded status of the OLD healthcare and life insurance plan as of the June 30, 2014 actuarial report was as follows:

Actuarial accrued liability (AAL)	$ 14,397,894
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	**$ 14,387,894**
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 4,799,752
UAAL as a percentage of covered payroll	299%

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)
6/30/2015	$ -	$ 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%
6/30/2013	-	21,929,219	21,929,219	0%	5,905,210	371%

The actuarial valuation reported in the fiscal 2015 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.

The EJLD's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015 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, 2015:

Beginning net OPEB obligation, July 1, 2014	$ 821,052
Annual required contribution	162,630
Interest on net OPEB obligation	32,842
Adjustment to ARC	(47,481)
OPEB cost	969,043
Contributions made (retiree cost)	(90,394)
Ending net OPEB obligation, June 30, 2015	**$ 878,649**

The funded status of the EJLD's plan for medical and life benefits as of the June 30, 2014 actuarial report was as follows:

Actuarial accrued liability (AAL)	$ 1,394,671
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	**$ 1,394,671**
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 3,099,186
UAAL as a percentage of covered payroll	45%

<u>The EJLD Schedule of Funding Progress for OPEB Plan</u>

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)
6/30/2015	$ -	$ 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%
6/30/2013	-	979,193	979,193	0%	2,773,052	35.3%

The LBBLD's total ARC for the year beginning July 1, 2014 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 2015:

Beginning net OPEB obligation, July 1, 2014	$ 3,248,600
Annual required contribution	322,700
Interest on net OPEB obligation	164,451
OPEB cost	3,735,751
Contributions made (retiree cost)	(53,051)
Ending net OPEB obligation, June 30, 2015	**$ 3,682,700**

The funded status of the LBBLD's plan as of the June 30, 2015 actuarial report was as follows:

Actuarial accrued liability (AAL)	$	3,682,700
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	**$**	**3,682,700**
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (annual payroll of active employees covered by the Plan)	$	1,244,100
UAAL as a percentage of covered payroll		296%

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)
6/30/2015	$ -	$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%
6/30/2013	-	3,567,400	3,567,400	0%	1,075,400	332%

J. LEASES – OPERATING LEASES

The Orleans Levee District leases boat slips, boathouses, and building space to certain parties under operating leases. At June 30, 2014, the total cost of the land, buildings and improvements leased to others is $181.3 million with $80.4 million net of related accumulated depreciation. Current year rents amount to $4.6 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:

2016	$	4,458,747
2017		2,569,320
2018		2,260,118
2019		1,721,042
2020		1,134,551
2021-2025		2,554,885
2026-2030		2,244,649
2031-2035		1,865,306
Remainder of term		2,119,523
Total	**$**	**20,928,141**

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. All of these bonds were retired by March 2012.

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 Asset Management Authority.

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, 2015. 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 $4,605,529 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, 2015 adjusted for a delay in repayment:

	Principal	Interest	Total
Pre-2016	$ 5,332,741	$ 4,448,831	$ 9,781,572
2016	1,491,340	964,792	2,456,132
2017	1,560,538	895,594	2,456,132
2018	1,632,947	823,186	2,456,133
2019	1,708,716	747,416	2,456,132
2020-2024	9,809,029	2,471,628	12,280,657
2025-2029	4,590,360	364,859	4,955,219
Total	**$ 26,125,671**	**$ 10,716,306**	**$ 36,841,977**

Changes in Long-Term Obligations

The following schedules summarize the changes in long-term debt during the year ended June 30, 2015:

	June 30, 2014	Additions	Retirement	June 30, 2015	One Year
Governmental Activities:					
Long term borrowing from State of Louisiana	$26,125,671	$ -	$ -	$26,125,671	$ -
Compensated absences	1,016,414	125,579	(116,063)	1,025,930	50,329
Interest payable	3,586,183	862,648	-	4,448,831	-
Judgments	200,000	325,000	-	525,000	500,000
Net pension liability	28,535,359	3,219,092	(2,369,726)	29,384,725	-
Post-employee benefit liability	10,889,183	650,476	-	11,539,659	-
Governmental activities total	**70,352,810**	**5,182,795**	**(2,485,789)**	**73,049,816**	**550,329**
Business-Type Activities:					
Compensated absences	98,728	32,553	(26,535)	104,746	25,999
Net pension liability	2,216,288	268,026	(205,147)	2,279,167	-
Post-employment benefit liability	575,468	236,403	(32,617)	779,254	-
Business-type activities total	2,890,484	536,982	(264,299)	3,163,167	25,999
Total long term obligations	**$73,243,294**	**$5,719,777**	**$ (2,750,088)**	**$76,212,983**	**$576,328**

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.

17th STREET CANAL SETTLEMENT

During the year ended June, 30, 2015, a settlement was reached with the final 17th Street Canal Bellaire Street Residents over a dispute over homeowners’ property rights for approximately $500,000.

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 Budgets Circular A-133. 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, 2015 balances in receivables by each District's governmental activities:

	OLD	EJLD	LBBLD	Proprietary	Total
Ad valorem taxes	$ 1,170,131	$ -	$ 12,880	$ -	$ 1,183,011
Customers and other, net of allowance for doubtful accounts	715,478	4,313	-	364,364	1,084,155
	$ 1,885,609	**$ 4,313**	**$ 12,880**	**$ 364,364**	**$ 2,267,166**

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

Ad Valorem Taxes

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

Louisiana Constitution provides that the OLD may levy an annual tax not to exceed 2.5 mills to construct and maintain levees, levee drainage, flood protection, hurricane flood protection, and all other incidental purposes. If the OLD needs to raise additional funds in excess of the amount authorized by the constitution, the taxes in excess of 2.5 mills must be approved by a majority vote of the electors of Orleans Parish. By 1983, the 2.5 mill constitutional tax was reestablished at 5.05 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 2014
Parish-wide taxes:		
Constitutional	5.46	5.46
Maintenance	0.75	0.75
Levee improvement	5.46	5.46
	11.67	**11.67**

At June 30, 2015, approximately $322,267 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 in 2015:

	Authorized	Levied 2014
Parish-wide taxes:		
Constitutional	4.01	3.91
	4.01	**3.91**

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 in 2015:

	Authorized	Levied 2014	Effective Years
Parish-wide taxes:			
Constitution	3.83	3.83	
General election	3.00	3.00	2005 - 2014
General election	4.27	4.27	2011 - 2020
	11.10	**11.10**	

N. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2015 were as follows:

	Authority GF	OLD	EJLD	LBBLD	Proprietary	Total
Vendors and employees	$ 51,670	$ 1,480,657	$ 179,459	$ 262,328	$ 54,568	$ 2,028,682
Contracts payable	-	1,890,067	-	-	109,158	1,999,225
	$ 51,670	**$ 3,370,724**	**$ 179,459**	**$ 262,328**	**$ 163,726**	**$ 4,027,907**

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, 2015, the Authority had a balance of $2,890,387 due from other governments. The balance due to other agencies was $2,330,375 as of June 30, 2015, of which $2,192,000 was due to the Army Corps of Engineers.

O. SUBSEQUENT EVENTS

After year end, the Authority reached an agreement with British Petroleum, Inc. (the Company) for their claim against the Company arising from the Deepwater Horizon Oil Spill in 2010. The settlement gives the Authority approximately $9.1 million for damages as a result of the spill.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 4, 2015, 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.

P. CHANGE IN ACCOUNTING PRINCIPAL AND PRIOR PERIOD ADJUSTMENT

During the preparation of the financial statements for the year ended June 30, 2015, the Authority adopted GASB 68 and 71 related to pension liabilities, as described in Note 1 as adoption of new financial accounting standards.

The adoption of GASB 68 and 71 had the following impact on the beginning net position at June 30, 2015:

Net position – June 30, 2014	$	335,891,660
Prior period adjustments:		
GASB No. 68 – Pension liability		(33,585,690)
GASB No. 71 – Deferred pension contributions		2,837,043
Total prior period adjustments		(30,748,647)
Net position – As restated	$	305,143,013

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

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, 2015

Schedule 1

	Budgeted Amounts		Actual Amounts	Variances with Final Budget (Unfavorable)
	Original	Final		
Revenues				
Taxes	45,239,000	45,339,000	$ 46,687,102	$ 1,348,102
Intergovernmental	2,992,300	1,688,500	3,527,584	1,839,084
Charges for service				
Permits	26,100	28,200	-	(28,200)
Oil and gas royalties	222,500	222,500	157,271	(65,229)
Investment income	665,600	1,220,600	1,113,370	(107,230)
Cost sharing allocations from affiliates	1,359,000	1,486,500	1,473,245	(13,255)
Miscellaneous	132,750	262,347	2,160,319	1,897,972
Total revenues	50,637,250	50,247,647	55,118,891	4,871,244
Expenditures				
Flood and drainage protection				
Personnel services	19,088,594	18,936,481	18,273,646	662,835
Travel	66,350	66,350	104,083	(37,733)
Contractual services	19,767,185	20,592,485	11,489,399	9,103,086
Police services	-	-	996,693	(996,693)
Materials and supplies	2,206,140	1,726,040	3,271,375	(1,545,335)
Professional services	10,454,300	7,453,800	5,084,834	2,368,966
Other charges	1,863,345	419,795	2,600,726	(2,180,931)
Cost sharing allocations to affiliates	1,075,000	1,004,750	56,892	947,858
Machinery and equipment	1,477,566	1,497,000	904,071	592,929
Miscellaneous	35,500	35,500	-	35,500
Total expenditures	56,033,980	51,732,201	42,781,719	8,950,482
Excess of revenues over expenditures	(5,396,730)	(1,484,554)	12,337,172	13,821,726
Major Maintenance and Capital Improvements				
Sale of capital assets	-	-	303,864	303,864
Major maintenance	-	-	-	-
Debt services	(1,523,282)	(1,523,282)	(142,319)	1,380,963
Transfer to affiliates	(2,000,000)	(2,000,000)	-	2,000,000
Litigation payments			(459,488)	(459,488)
Total other financing used	(3,523,282)	(3,523,282)	(297,943)	3,225,339
Net changes in fund balances	**(8,920,012)**	**(5,007,836)**	**12,039,229**	**17,047,065**
Fund balance - Beginning of year	128,634,512	128,634,512	128,634,512	-
Fund balance - End of year	**$ 119,714,500**	**$ 123,626,676**	**$ 140,673,741**	**$ 17,047,065**

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

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

As of June 30,	**2015**
Authority's proportion of the net pension liability (%)	**0.50639%**
Authority's proportion of the net pension liability ($)	**$ 31,663,892**
Authority's covered-employee payroll	**$ 8,934,255**
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	**354.41%**
Plan fiduciary net position as a percentage of the total pension liability	**9.8%**

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

SCHEDULE OF CONTRIBUTIONS TO LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

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

Notes to Required Supplementary Information
For the Year Ended June 30, 2015

Changes of Benefit Terms include:

- A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
- Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2015.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2015

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

PURPOSE	AMOUNT
Salary	$ 145,645
Benefits-health insurance	11,464
Benefits-retirement	53,888
Deferred compensation	-
Workers comp	-
Benefits-life insurance	486
Benefits-long term disability	-
Benefits-Fica and Medicare	2,021
Car allowance	-
Vehicle provided by government	-
Cell phone	1,806
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	5,634
Registration fees	403
Conference travel	-
Unvouchered expenses	-
Meetings and conventions	-
Other	5,357
	$ 226,704

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

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

Reporting and Accounting Policy

For the Year Ended June 30, 2015

SOUTHEAST FLOOD PROTECTION AUTHORITY – EAST
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

Current assets	
Cash and cash equivalents	$ 106,308,038
Investments	36,016,858
Receivables	2,267,166
Due from other funds, net	-
Due from other governments	2,863,648
Inventory	513,961
Other assets	591,009
Restricted investments	6,747,694
Total current assets	155,308,374
Noncurrent assets	
Capital assets (net of depreciation)	
Land	36,127,197
Buildings	54,576,688
Improvements other than buildings	32,000,666
Movable property	3,157,892
Infrastructure	85,362,894
Construction in progress	36,026,445
Total noncurrent assets	247,251,782
Total assets	402,560,156
DEFERRED OUTFLOWS OF RESOURCES– Pension deferrals	5,487,508
Liabilities	
Current liabilities	
Accounts payable	2,028,682
Contracts payable	1,999,225
Accrued compensated absences	76,328
Judgement and claims payable due in less than one year	500,000
Due to other agencies	2,223,609
Other liabilities	1,767
Total current liabilities	6,829,611
Noncurrent liabilities	
Accrued compensated absences	1,054,348
Accrued interest payable	4,448,831
Note payable due in more than one year	26,125,671
Judgement and claims payable due in more than one year	25,000
Post-employment benefit liability	12,318,913
Net pension liability	31,663,892
Total noncurrent liabiliteis	75,636,655
Total liabilities	82,466,266
DEFERRED INFLOWS	
Revenues	684,510
Pension	4,755,380
Total Deferred Inflows	5,439,890
Net investment in capital assets	247,251,782
Restricted for:	-
Debt service	2,055,652
Capital projects	-
Unrestricted	70,834,074
Total net position	$ 320,141,508

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

For the year ended June 30,					**2015**
		Program Revenues			
	Expenses	**Charges for Service**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**
FUNCTIONS/PROGRAMS					
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST	**$ 46,512,845**	**$ 5,393,637**	**$ 1,765,027**	**$ 2,884,958**	**$ (36,469,223)**

GENERAL REVENUES AND EXPENSES	
Property taxes	46,578,342
Unrestricted intergovernmental revenues	1,762,557
Unrestricted investment earnings	1,113,370
Miscellaneous income	2,657,936
Litigation payments	(784,488)
Gain on sale of property	282,320
Total General Revenues and Expenses	51,610,037
Change in net position before transfers	15,140,814
Transfers	(142,319)
CHANGE IN NET POSITION	14,998,495
NET POSITION – Beginning of Year	335,891,660
RESTATEMENT OF NET POSITION	(30,748,647)
NET POSITION - Beginning of the year, restated	305,143,013
NET POSITION – End of Year	**$ 320,141,508**

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

A. OTHER POST-EMPLOYMENT BENEFITS

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers.

The following table presents the OLD's OPEB obligation for the year ended June 30, 2015:

Beginning net OPEB obligation, July 1, 2014	$ 7,458,600
Annual required contribution	1,179,442
Interest on net OPEB obligation	298,344
Adjustment to ARC	(431,331)
OPEB cost	8,505,055
Contributions made (retiree cost)	(747,491)
Ending net OPEB obligation, June 30, 2015	**$ 7,757,564**

The following table presents the LBBLD's OPEB obligation for the fiscal year 2015:

Beginning net OPEB obligation, July 1, 2014	$ 3,248,600
Annual required contribution	322,700
Interest on net OPEB obligation	164,451
OPEB cost	3,735,751
Contributions made (retiree cost)	(53,051)
Ending net OPEB obligation, June 30, 2015	**$ 3,682,700**

The following table presents the EJLD's OPEB obligation for the year ended June 30, 2015:

Beginning net OPEB obligation, July 1, 2014	$ 821,052
Annual required contribution	162,630
Interest on net OPEB obligation	32,842
Adjustment to ARC	(47,481)
OPEB cost	969,043
Contributions made (retiree cost)	(90,394)
Ending net OPEB obligation, June 30, 2015	**$ 878,649**

B. DUE TO/DUE FROM AND TRANSFERS – STATE OF LOUISIANA

The following is a list by fund types the amounts due from other funds detailed by individual fund at fiscal year-end. (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc.).

Due from State of Louisiana (included in due from other governments)

To OLD SLIP	$ 23,700
To South Shore Harbor	3,037
To Lake Front Airport	186,865
	$ 213,602

Operating Transfers from the State of Louisiana

Included in unrestricted intergovernmental revenues:	
State Revenue Sharing:	
East Jefferson Levee District	$ 531,456
Lake Borgne Levee District	163,000
Orleans Levee District	1,060,892
	$ 1,755,348
Included in Capital grants and contributions:	
State Grants:	
Lakefront Airport	$ 151,483

C. NOT USED

OTHER INDEPENDENT AUDITOR’S REPORTS

Carr, Riggs & Ingram, LLC
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners of
Southeast Louisiana Flood Protection Authority – East
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, 2015, 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 4, 2015.

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 did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

New Orleans, Louisiana
September 4, 2015

Carr, Riggs & Ingram, LLC
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Commissioners of
Southeast Louisiana Flood Protection Authority – East
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Southeast Louisiana Flood Protection Authority – East (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the combined financial statements of the governmental activities, the business-type activities, and each major fund of the Authority as of and for the year ended June 30, 2015, and the related notes to combined financial statements which collectively comprise the Authority’s basic combined financial statements. We issued our report thereon dated September 4, 2015, which contained an unmodified opinion on those combined financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic combined financial statements.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

New Orleans, Louisiana
September 4, 2015

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Program Title	CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Housing & Urban Development:			
Passed through State of Louisiana, Division of Administration, Office of Community Development – Disaster Recovery Unit:			
Community Development Block Grants	14.228		$ 36,270
Department of Transportation			
Pass-through State of Louisiana – Division of Administration – Airport Improvement program	20.106	697572	398,015
U.S. Department of Homeland Security:			
Passed through State of Louisiana, Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants – Public Assistance	97.036	FEMA–1603–DR–LA	750,170
Total Expenditures of Federal Awards			**$ 1,184,455**

Note 1: General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of the federal awards of Southeast Louisiana Flood Protection Authority – East (the Authority). The Authority's reporting entity is defined in Note A to the combined financial statements for the year ended June 30, 2015. All federal awards received from federal agencies are included on the Schedule.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note A to the Authority's combined financial statements for the year ended June 30, 2015.

SECTION I – SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the combined financial statements of the Southeast Louisiana Flood Protection Authority – East.

2. No material weakness or significant deficiency in internal control relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial statements Performed in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements of the Southeast Louisiana Flood Protection Authority – East are reported in the Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards.

4. No material weakness or significant deficiency relating to the audit of the major federal programs is reported in the Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards.

5. The auditor's report on compliance for the major federal programs for the Southeast Louisiana Flood Protection Authority – East expressed an unmodified opinion.

6. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The programs tested as major programs are:

Disaster Grants – Public Assistance	97.036
Airport Improvement Program	20.106

8. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

9. The auditee did qualify as a low-risk auditee under Section 530 of OMB Circular A-133.

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 audit of major federal programs.

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.