ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

(STATE OF LOUISIANA)

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the St. Bernard Port, Harbor and Terminal District (the "District") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
December 18, 2023

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 5 through 8 and 43 – 49, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
December 18, 2023

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 18, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

Our discussion and analysis of the St. Bernard Port Harbor and Terminal District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The District's annual financial report consists of financial statements that report information about the District's most significant activities.

An outline of the annual financial report's content is as follows:

I. Independent Auditors' Report
II. Required Supplementary Information
III. Basic Financial Statements
IV. Notes to the Financial Statements
V. Other Supplemental Information

Our auditor has provided assurance in their independent auditors' report on pages 1 through 4 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

FINANCIAL HIGHLIGHTS

The St. Bernard Port, Harbor and Terminal District's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2023 by $95,928,567, which represents an increase from last fiscal year of $15,870,513 or 19.82%.

The St. Bernard Port, Harbor and Terminal District's intergovernmental revenues increased by $3,793,550 or 29.02% as a result of an increase in federal grants received and the net loss from operations decreased by $1,210,941 or 25.20%.

FINANCIAL ANALYSIS

The District's net position was approximately $95.9 million at June 30, 2023.

The following analysis focuses on the net position and the change in net position of the District as a whole.

Condensed Statements of Net Position
As of June 30, 2023 and 2022
(in thousands)

	2023	2022
Current and other assets	$ 38,122	$ 30,724
Net capital assets	99,394	95,370
Total assets	137,516	126,094
Deferred outflows of resources	1,388	1,292
Current liabilities	1,788	3,833
Long-term obligations	24,856	27,611
Total liabilities	26,644	31,444
Deferred inflows of resources	16,331	15,884
Net position:		
Net investment in capital assets	81,304	74,638
Restricted	6,085	7,564
Unrestricted	8,538	(2,145)
Total net position	$ 95,929	$ 80,058

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, loan agreements, or other requirements. Conversely, unrestricted net position consists of those assets that do not have any limitation on what those amounts may be used for.

Net position of the St. Bernard Port, Harbor and Terminal District increased by $15,870,513 or 19.82%, during the year ended June 30, 2023.

FINANCIAL ANALYSIS (CONTINUED)

Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended June 30, 2023 and 2022
(in thousands)

	2023	2022
Operating revenues	$ 6,813	$ 5,733
Operating expenses	(10,408)	(10,539)
Operating loss	(3,595)	(4,806)
Non-operating revenues	2,725	1,171
Capital contributions	16,741	12,948
Net increase in fund net position	15,871	9,313
Net position - beginning of year	80,058	70,745
Net position - end of year	$ 95,929	$ 80,058

The St. Bernard Port, Harbor and Terminal District's total operating revenues increased $1,079,927 or 18.84%. The total operating expenses decreased by $131,014 or 1.24%. Operating revenues increased primarily due to increased lease revenue. Operating expenses decrease was insignificant.

CAPITAL ASSETS

At June 30, 2023, the St. Bernard Port, Harbor and Terminal District had net capital assets of $99,394,309, net of accumulated depreciation of $88,235,686, including land, buildings and improvements, dock, barge and marina facilities, furniture and equipment, and construction in progress. This amount represents a net increase of $4,024,117, which was primarily attributable to current year construction in progress offset by depreciation expense.

Capital Assets at June 30, 2023 and 2022
(Net of Depreciation, in thousands)

	2023	2022
Land	$ 14,442	$ 14,454
Dock and barge facilities	29,987	32,792
Buildings and improvements	22,973	24,791
Furniture and equipment	138	134
Construction in progress	31,854	23,199
Totals	$ 99,394	$ 95,370

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The St. Bernard Port, Harbor and Terminal District's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The District's industrial park is currently at 95% occupancy of its developed rental portfolio and all major facilities are leased. The District's marine facility has a 100% occupancy rate.

- The Chalmette Slip renovation project is in its final stages. This $36 million plus project will increase tonnage capacity while enhancing safety and efficiency. This will help the District continue to remain competitive. Construction on this multi-year project is scheduled to be completed by May 2024.

- The District had 385 ship calls and handled 8.14 million tons of cargo in FY 2023.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the St. Bernard Port, Harbor and Terminal District's finances and to show the St. Bernard Port, Harbor and Terminal District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Drew Heaphy, Executive Director, P. O. Box 1331, Chalmette, Louisiana 70044.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,115,458	$ 3,212,959
Accounts receivable	705,339	120,779
Prepaid expenses	998,697	828,610
Due from other governmental units	1,482,728	2,884,169
Lease receivables	2,606,780	2,573,215
Total current assets	18,909,002	9,619,732
RESTRICTED ASSETS:		
Cash - employee savings	15,142	15,142
Cash equivalents - construction and loan payments	6,069,700	7,549,439
Total restricted assets	6,084,842	7,564,581
NONCURRENT ASSETS:		
Lease assets	1,189,354	1,323,054
Lease receivables net of current portion	11,938,439	12,216,886
	13,127,793	13,539,940
CAPITAL ASSETS:		
Land	14,441,597	14,454,102
Dock and barge facilities	84,216,529	84,058,071
Buildings and improvements	54,324,164	54,324,164
Furniture and equipment	2,793,025	2,749,108
	155,775,315	155,585,445
Less accumulated depreciation	88,235,686	83,413,774
	67,539,629	72,171,671
Construction in progress	31,854,680	23,198,521
Net capital assets	99,394,309	95,370,192
TOTAL ASSETS	137,515,946	126,094,445
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to pensions	1,048,652	773,776
Deferred outflows of resources related to OPEB	339,091	518,150
TOTAL DEFERRED OUTFLOWS	1,387,743	1,291,926
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 138,903,689	$ 127,386,371

See accompanying notes.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	$ 515,606	$ 956,284
Due to employees - savings	15,142	15,142
Accrued interest payable	149,786	106,444
Lease liability	117,380	113,145
Note payable - current	-	1,631,737
Bonds payable - current	990,000	1,010,000
Total current liabilities	1,787,914	3,832,752
LONG-TERM OBLIGATIONS:		
Compensated absences	436,250	429,656
Deferred rent payable	-	810,000
Lease liability net of current portion	1,092,529	1,209,909
Bonds payable - noncurrent	17,100,000	18,090,000
Other postemployment benefits	1,926,108	3,341,010
Net pension liability	4,301,417	3,730,870
Total long-term obligations	24,856,304	27,611,445
Total liabilities	26,644,218	31,444,197
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to pensions	491,207	911,686
Deferred inflows of resources related to OPEB	1,294,478	182,333
Deferred leases	14,545,219	14,790,101
Total deferred inflows of resources	16,330,904	15,884,120
NET POSITION:		
Net investment in capital assets	81,304,309	74,638,455
Restricted for:		
Debt service	6,069,700	7,549,439
Other purposes	15,142	15,142
Unrestricted	8,539,416	(2,144,982)
Total net position	95,928,567	80,058,054
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 138,903,689	$ 127,386,371

See accompanying notes.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
OPERATING REVENUES:		
Lease revenues	$ 6,326,718	$ 5,425,370
Other fees and permits	486,254	307,675
Total operating revenues	6,812,972	5,733,045
OPERATING EXPENSES:		
Personal services	2,106,308	2,348,096
Supplies and materials	300,452	319,464
Other services and charges	2,001,601	2,242,224
Promotion and marketing	150,956	139,546
Professional services	892,608	782,555
Amortization and depreciation	4,955,612	4,706,666
Total operating expenses	10,407,537	10,538,551
Operating loss	(3,594,565)	(4,805,506)
NON-OPERATING REVENUES (EXPENSES):		
Taxes - ad valorem	1,513,540	1,502,595
Loss on Violet Dock settlement	-	(16,529)
Interest earned	619,882	21,020
Interest expense on long-term debt	(595,619)	(362,556)
Debt issuance costs	-	(158,276)
Miscellaneous expense	(1,090,464)	(1,569,806)
Miscellaneous revenue	2,236,882	1,675,316
Intergovernmental revenues	125,000	125,000
Expropriation legal expenses	(85,178)	(46,042)
Total non-operating revenues (expenses)	2,724,043	1,170,722
CAPITAL CONTRIBUTIONS:		
Intergovernmental revenues	16,741,035	12,947,485
Change in fund net position	15,870,513	9,312,701
Net position - Beginning of year	80,058,054	70,745,353
Net position - End of year	$ 95,928,567	$ 80,058,054

See accompanying notes.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received for services	$ 5,418,412	$ 5,760,594
Cash paid for goods and services	(4,069,527)	(4,600,733)
Payments for salaries and related expenses	(2,348,220)	(2,413,037)
Net cash (used by) by operating activities	(999,335)	(1,253,176)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Ad valorem tax receipts	1,519,001	1,496,954
Expropriation legal fees	(85,178)	(46,042)
State revenue sharing	125,000	125,000
Net cash provided by noncapital financing activities	1,558,823	1,575,912
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Federal and state funds	18,137,015	12,071,632
Grant administrative expenses	(1,090,464)	(1,569,806)
Debt issuance costs	-	(158,276)
Interest paid on loans	(552,277)	(362,556)
Proceeds from loans	-	7,000,000
Principal payments on loans	(2,641,737)	(713,520)
Proceeds from insurance	2,236,882	1,675,316
Purchases of capital assets	(8,846,029)	(14,286,854)
Net cash provided by capital and related financing activities	7,243,390	3,655,936
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned	619,882	21,020
Net cash provided by investing activities	619,882	21,020
Net increase in cash and cash equivalents	8,422,760	3,999,692
Cash and cash equivalents - beginning of year	10,777,540	6,777,848
Cash and cash equivalents - end of year	$ 19,200,300	$ 10,777,540

(Continued)

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED BY) OPERATING ACTIVITIES:		
Operating loss	$ (3,594,565)	$ (4,805,506)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Amortization and depreciation expense	4,955,612	4,706,666
Deferred rent abated	(810,000)	-
Changes in net assets and liabilities:		
Accounts receivable	(584,560)	27,549
Prepaid expenses	(170,087)	(223,824)
Lease asset	-	(1,323,054)
Lease receivables	244,882	(14,790,101)
Accounts payable	(440,678)	(1,433,120)
Compensated absences	6,594	23,054
Deferred rent payable	-	540,000
Change in lease liability	(113,145)	1,323,054
Change in net pension liability	570,547	(1,586,921)
Change in pension deferred inflows/outflows	(695,355)	1,341,072
Change in OPEB deferred inflows/outflows	1,291,204	(351,096)
Change in lease deferred inflows/outflows	(244,882)	14,790,101
Change in OPEB liability	(1,414,902)	508,950
Net cash (used by) operating activities	$ (999,335)	$ (1,253,176)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:		
Cash and cash equivalents - current assets	$ 13,115,458	$ 3,212,959
Cash and cash equivalents - restricted assets	6,084,842	7,564,581
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 19,200,300	$ 10,777,540

See accompanying notes.

NATURE OF OPERATIONS

The St. Bernard Port, Harbor and Terminal District (the District) was created as a public corporation and political subdivision of the State of Louisiana under Louisiana Revised Statute 34:1701-1714. The District is governed by a Board of Commissioners consisting of five members appointed by the Governor upon the recommendation of a majority of the Legislative delegation from St. Bernard Parish. The Board has the power to regulate the commerce and traffic of the District in such a manner as may be best for the public interest; and it is empowered to own and have charge of, to administer, construct, operate, and maintain wharves, warehouses, landings, docks, sheds, belt and connection railroads, shipways, canals, channels, slips, basins, locks, elevators, and other structures and facilities necessary and proper for the use and development of the business of the District.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards.

Proprietary fund financial statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Reporting Entity

Government Accounting Standards Board (GASB) Statement No. 14 as amended by GASB 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity and other reporting relationships. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Appointment of a voting majority of the governing board

    a. The ability of the reporting entity to impose its will on the organization
    b. The potential of the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity

2. Organizations which are fiscally dependent

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

The District is considered a related organization of the State of Louisiana. Although the Governor appoints the governing board, the state does not have a financial benefit or burden relationship with the District. Because the state does not have financial accountability for the District, the District is excluded from the reporting entity of the state. The nature of the state’s relationship with the District is disclosed in the state’s audited financial statements.

The accompanying financial statements present information only on the funds maintained by the District.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits and money market funds.

Accounts Receivable

The District uses the direct write-off method to remove uncollectible accounts receivable. This method approximates the allowance method required by accounting principles generally accepted in the United States of America.

Capital Assets

All purchased capital assets are valued at cost. Depreciation of these assets is computed on the straight-line method over the estimated useful lives of the assets.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain cash and cash equivalents to be used for planned construction and for the repayment of loans payable are classified as restricted assets on the statement of net position because their use is limited by applicable loan covenants.

Cash held for employee savings is restricted until the cash is remitted to the employee.

Compensated Absences

Accumulated vacation and sick leave is accrued as an expense of the period in which incurred. Administrative employees earn from 12 to 24 days of vacation and sick leave each year depending on length of service with the District. Accumulation of vacation leave is limited to 60 days per employee. Accumulation of sick leave is limited to 25 days per employee. Upon termination of employment, unused vacation and sick leave will be paid to employees at the employee's current rate of pay.

Revenues and Expenses:

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues primarily consist of lease revenues including the leasing of land and improvements under cancelable operating leases. The leases are accounted for using the operating method whereby the amount of revenue recognized in each accounting period is equivalent to the amount of rent receivable according to the provisions of the lease. Improvements to the District's facilities paid for by lessees are recorded at fair value as they are made and are as reported as increases to capital assets and deferred inflows of resources. The revenue is recognized over the terms of the operating leases. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and changes in fiduciary net position of the defined benefit pension plans in which the District participates have been determined on the same basis as they are reported by the respective defined benefit pension plans. 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.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statements of Net Position reports a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category, which are amounts related to pensions and amounts related to other postemployment benefits.

In addition to liabilities, the Statements of Net Position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has three items that meet the criterion for this category, deferred amounts related to unearned income, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits.

Newly Adopted Accounting Pronouncements

For 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of this standard did not have a material impact on the financial statements of the District.

(2) CASH AND CASH EQUIVALENTS

At June 30, 2023 and 2022, the District has cash bank and book balances as follows:

	2023		2022	
	Bank Balance	Book Balance	Bank Balance	Book Balance
Demand deposits	$ 25,617	$ 15,142	$ 21,057	$ 15,142
Cash equivalents	19,388,277	19,185,158	7,539,650	6,762,706
	$ 19,413,894	$ 19,200,300	$ 7,560,707	$ 6,777,848

Custodial credit risk is risk, that in the event of a bank failure, the District's deposits might not be returned to it. At June 30, 2023 and 2022, the District's demand deposits (bank balances) were fully insured.

All cash equivalents are carried at fair value. The following is a detail of the cash equivalents at June 30, 2023 and 2022:

	2023	2022
Government pooled investments - held by the Louisiana Asset Management Pool (LAMP) in the name of the District	$ 4,098,310	$ 307,853
Federated Investors Government Obligations Money Market Fund - held by an agent of Gulf Coast Bank in the name of the bank	15,086,735	4,288,335
Restricted U.S. Treasury money market funds managed by the trustee and held by the trustee in the name of the District	113	2,166,518
Total cash equivalents	$ 19,185,158	$ 6,762,706

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2023 and 2022, the District had no cash equivalents invested in any one entity which exceeded 5% of total cash equivalents, except for the above money market funds.

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

Statutes authorize the District to invest in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. Government instrumentalities, which are federally sponsored; mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States or its agencies; and certain guaranteed investment contracts.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having been 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 Louisiana Revised Statute 33:2955. LAMP is rated AAA by Standard & Poor's.

(3) INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues for the years ended June 30, 2023 and 2022 consisted of the following:

	2023	2022
Non-operating:		
State of Louisiana revenue sharing	$ 125,000	$ 125,000
Capital contributions:		
State and federal grants	16,741,035	12,947,485
Total intergovernmental revenues	$ 16,866,035	$ 13,072,485

Amounts due from other governmental units consisted of the following at June 30, 2023 and 2022:

	2023	2022
Federal Emergency Management Agency	$ 70,445	$ 72,675
State of Louisiana	980,777	1,611,494
MARAD	427,448	1,190,481
St. Bernard Parish Tax Collector	4,058	9,519
Total intergovernmental receivables	$ 1,482,728	$ 2,884,169

(4) CAPITAL ASSETS

A summary of changes in capital assets and depreciation for the years ended June 30, 2023 and 2022 were as follows:

2023	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Land	$ 14,454,102	$ 669,700	$ (682,205)	$ 14,441,597
Dock and barge facilities	84,058,071	158,458	-	84,216,529
Buildings and improvements	54,324,164	-	-	54,324,164
Furniture and equipment	2,749,108	43,917	-	2,793,025
Construction in progress	23,198,521	8,656,159	-	31,854,680
Totals	$ 178,783,966	$ 9,528,234	$ (682,205)	$ 187,629,995

2023	Accumulated Depreciation Balance June 30, 2022	Additions	Retirements	Accumulated Depreciation Balance June 30, 2023
Dock and barge facilities	$ 51,265,907	$ 2,963,891	$ -	$ 54,229,798
Buildings and improvements	29,533,076	1,818,161	-	31,351,237
Furniture and equipment	2,614,791	39,860	-	2,654,651
Totals	$ 83,413,774	$ 4,821,912	$ -	$ 88,235,686

2022	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Land	$ 14,454,102	$ -	$ -	$ 14,454,102
Dock and barge facilities	83,756,034	551,337	(249,300)	84,058,071
Buildings and improvements	49,580,142	4,744,022	-	54,324,164
Furniture and equipment	2,757,858	63,872	(72,622)	2,749,108
Construction in progress	13,958,197	14,183,342	(4,943,018)	23,198,521
Totals	$ 164,506,333	$ 19,542,573	$ (5,264,940)	$ 178,783,966

2022	Accumulated Depreciation Balance June 30, 2021	Additions	Retirements	Accumulated Depreciation Balance June 30, 2022
Dock and barge facilities	$ 48,276,473	$ 3,222,766	$ (233,332)	$ 51,265,907
Buildings and improvements	27,790,486	1,742,590	-	29,533,076
Furniture and equipment	2,632,841	53,511	(71,561)	2,614,791
Totals	$ 78,699,800	$ 5,018,867	$ (304,893)	$ 83,413,774

(4) CAPITAL ASSETS (CONTINUED)

Depreciation expense amounted to $4,821,912 and $4,706,666 for the years ended June 30, 2023 and 2022, respectively.

During the years ended June 30, 2023 and 2022, approximately $12,000,000 of the dock and barge facilities balance and $4,000,000 of the land balance was related to the expropriation of 71 acres of land and port facilities in Violet, Louisiana. The District was involved in legal proceedings following the expropriation. See Note 13 for further information.

(5) GENERAL LONG-TERM OBLIGATIONS

BONDS PAYABLE

On January 22, 2020, the District entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority). Under the agreement, the Authority issued $2,870,000 of Series 2020A Refunding Bonds and $4,185,000 of Series 2020B Refunding Bonds and $6,895,000 of Series 2020C Tax-exempt Revenue Bonds and loaned the proceeds to the District.

The 2020A, 2020B, and 2020C bonds were issued to provide funds to enable the District to pay off prior existing debt and finance additional facilities and improvements. The proceeds of the bonds were also used to pay off the outstanding debt of the District related to the 2014A, 2014B and 2010C loans from the Authority.

Under the loan agreement with the Authority, the District is required to repay the loan by making the debt service payments, including principal, interest and reserve requirements for the Authority's three bond issues. The 2020A and 2020B bonds have stated interest rates of 2.43% each and the 2020C bond has a stated interest rate of 2.58%. The bonds mature on March 1, 2034, March 31, 2034, and March 31, 2039, respectively. Interest and principal is payable March 1st and interest only is payable September 1st of each year, commencing March 1, 2020.

(5) GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

BONDS PAYABLE (continued)

The following is a summary of loan payable transactions for the years ended June 30, 2023 and 2022:

2023 Description	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
2020A	$ 2,355,000	$ -	$ (170,000)	$ 2,185,000	$ 175,000
2020B	3,430,000	-	(250,000)	3,180,000	255,000
2020C	6,315,000	-	(300,000)	6,015,000	310,000
2022	7,000,000	-	(290,000)	6,710,000	250,000
	$ 19,100,000	$ -	$ (1,010,000)	$ 18,090,000	$ 990,000

2022 Description	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
2020A	$ 2,520,000	$ -	$ (165,000)	$ 2,355,000	$ 170,000
2020B	3,675,000	-	(245,000)	3,430,000	250,000
2020C	6,610,000	-	(295,000)	6,315,000	300,000
2022	-	7,000,000	-	7,000,000	290,000
	$ 12,805,000	$ 7,000,000	$ (705,000)	$ 19,100,000	$ 1,010,000

The annual principal and interest payments on the loans outstanding at June 30, 2023 are scheduled to occur as follows:

Year Ended June 30	Principal Payments	Interest Payments	Total
2024	$ 990,000	$ 532,485	$ 1,522,485
2025	1,015,000	504,838	1,519,838
2026	1,045,000	476,451	1,521,451
2027	1,080,000	447,195	1,527,195
2028	1,105,000	416,948	1,521,948
2029 - 2033	6,015,000	1,600,921	7,615,921
2034 - 2038	4,570,000	789,389	5,359,389
2039 - 2043	2,270,000	182,178	2,452,178
	$ 18,090,000	$ 4,950,405	$ 23,040,405

Interest expense paid on the loans during the years ended June 30, 2023 and 2022, was $554,356 and $321,076, respectively.

(5) GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

NOTE PAYABLE

On February 28, 2020, the District entered into a loan agreement for the purchase of land in Chalmette, Louisiana in the amount of $1,648,567. The loan is secured by the land and bears interest at an implicit rate of 2.5%. The loan matured on February 28, 2023. Interest expense for the years ended June 30, 2023 and 2022 was $41,263 and $41,480, respectively.

OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the years ended June 30, 2023 and 2022:

2023	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Compensated absences	$ 429,656	$ 6,594	$ -	$ 436,250	$ -

2022	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Compensated absences	$ 406,602	$ 23,054	$ -	$ 429,656	$ -

(6) OTHER POSTEMPLOYMENT BENEFITS

Substantially all District employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the District. The benefits for retirees are similar benefits for active employees whose premiums are paid jointly by the employee and the District. Below is a schedule of active employees, entitled to future benefits, and retired employees, currently receiving benefits, for the years ended June 30, 2023 and 2022.

	2023	2022
Active employees	29	28
Retired employees	6	7
	35	35

Plan Description

The District's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. The state administers the plan through the Office of Group Benefits (OGB). LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR).

Benefits Provided

The OPEB Plan provides benefits such as death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment. The OPEB plan does not provide termination benefits or termination payments for sick leave.

Contributions

The contribution requirements of plan members and the District are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and District contributions. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving post-employment benefits. The retirees contribute to the cost of their postemployment benefits 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.

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee premiums for these benefits totaled $14,883 and $22,381 for the years ended June 30, 2023 and 2022 respectively. Employer contributions to the OPEB Plan from the District were $51,568 and $56,800 for the years ended June 30, 2023 and 2022, respectively.

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

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

The District paid approximately 75% of health care premiums for all retirees.

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. The retiree pays $.54 monthly for each $1,000 of life insurance. The retiree pays $.98 monthly for each $1,000 of spouse life insurance.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

At June 30, 2023, the District reported a total OPEB liability of $1,926,108. The total OPEB liability was measured as of July 1, and was determined by an actuarial valuation as of that date.

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB (Continued)

For the year ended June 30, 2023, the District recognized OPEB benefit of $122,736. As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 190,889	$ 872,061
Difference between expected and actual experience	96,634	422,417
Employer contributions subsequent to the measurement date	51,568	-
Total	$ 339,091	$ 1,294,478

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of $51,568 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended June 30	Amount
2024	$ (270,240)
2025	(221,099)
2026	(256,977)
2027	(258,639)
	$ (1,006,955)

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	Consistent with the pension valuation assumptions
Investment Rate of Return	4.09%, based on the S&P Municipal Bond 20-Year High Grade Rate Index
Healthcare Cost Trend	7.00% - 4.5%
Mortality Rates	For healthy lives the RP-2014 Blue Collar Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2000 Disabled Retiree Mortality Table, not projected with mortality improvement.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was increased to 4.09% in the July 1, 2022 valuation from 2.18% as of July 1, 2021. The discount rate in the current valuation reflects the S&P Municipal Bond 20-Year Index Rate.

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the District's OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current discount rate:

District's total OPEB liability	$ 4,114,309	$ 1,926,108	$2,757,421

Sensitivity of the District's OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

District's total OPEB liability	$ 2,723,691	$ 1,926,108	$ 4,177,556

Payables to the OPEB Plan

As of June 30, 2023, the District reported no payables for outstanding contributions to the OPEB plan required for the year then ended.

(7) LEASE EXPENSE

The District leases various equipment and property for use in its operations. The District reports lease assets on assets that convey control to the use of the District's nonfinancial assets and exist for a maximum term of greater than 12 months. The lease assets are recognized at the commencement of the lease at the present value of the lease payments expected to be paid during the lease period. Management has determined that a discount rate of 3.68% applies broadly to its leases. Lease payments are subject to CPI and fair market value adjustment, depending on the term of the lease and tenant renewal options. These variable payments are reflected in the lease liability when remeasurement occurs. Total lease assets net of accumulated amortization amounted to $1,189,354 and $1,323,054 at June 30, 2023 and 2022, respectively.

(7) LEASE EXPENSE (CONTINUED)

Estimated future minimum lease payments as of June 30, 2023 are as follows:

	Present Value of Payments	Interest	Future Minimum Payments
2024	$ 117,380	$ 42,558	$ 159,938
2025	121,774	38,164	159,938
2026	126,331	33,607	159,938
2027	131,059	28,879	159,938
2028	124,289	23,992	148,281
2029 - 2033	374,430	75,570	450,000
2034 - 2038	214,646	10,354	225,000
	$ 1,209,909	$ 253,124	$ 1,463,033

(8) LEASE REVENUES

The District leases property and buildings located at the Chalmette and Arabi terminals and other sites within St. Bernard Parish and dock and barge facilities located at the Chalmette Slip to various businesses. Total rents amounted to $6,326,718 and $5,425,370 for the years ended June 30, 2023 and 2022, respectively, including $962,836 and $922,247 of interest on long-term leases. The District reports lease receivables on leases that convey control to the use of the District's nonfinancial assets and exist for a maximum term of greater than 12 months. The lease receivables are recognized at the commencement of the lease term at the present value of the lease payments expected to be received during the lease period. Management has determined that a discount rate of 3.68% applies broadly to its leases. Lease payments are subject to CPI and fair market value adjustments, depending on the term of the lease and tenant renewal options. These variable payments are reflected in the lease receivable value when remeasurement occurs.

Future minimum payments to be received under these leases as of June 30, 2023 are as follows:

	Present Value of Payments	Interest	Future Minimum Payments
2024	$ 2,606,780	$ 868,335	$ 3,475,115
2025	2,646,481	770,874	3,417,355
2026	2,662,811	673,019	3,335,830
2027	2,763,022	572,807	3,335,829
2028	2,806,364	469,844	3,276,208
2029 - 2033	390,000	96,000	486,000
2034 - 2038	469,121	16,879	486,000
2039 - 2043	200,640	1,860	202,500
	$ 14,545,219	$ 3,469,618	$ 18,014,837

(8) LEASE REVENUES (CONTINUED)

The carrying value of leased property as of June 30, 2023 and 2022 was as follows:

2023	Cost	Accumulated Depreciation	Carrying Value
Land	$ 14,441,597	$ -	$ 14,441,597
Dock and barge facilities	84,216,529	(54,229,798)	29,986,731
Buildings and improvements	54,324,164	(31,351,237)	22,972,927
	$ 152,982,290	$ (85,581,035)	$ 67,401,255

2022	Cost	Accumulated Depreciation	Carrying Value
Land	$ 14,454,102	$ -	$ 14,454,102
Dock and barge facilities	84,058,071	(51,265,907)	32,792,164
Buildings and improvements	54,324,164	(29,533,076)	24,791,088
	$ 152,836,337	$ (80,798,983)	$ 72,037,354

(9) AD VALOREM TAXES

Property taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Property taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the District. Assessed values are established by the St. Bernard Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. The assessed value upon which the 2023 levy was based was $472,257,912 with homestead exemptions of $72,587,266. The assessed value upon which the 2022 levy was based was $465,275,236 with homestead exemptions of $71,217,233.

The District is permitted by Article 7, Section 23 of the 1974 Constitution and Act 228 of 1960 of the State of Louisiana to levy taxes up to $5.00 per $1,000 of assessed valuation on property within the District to defray their administrative, operative, and maintenance expenditures. Taxes were levied to finance expenses at a rate of $3.81 per $1,000 for the 2023 and 2022 levies, respectively.

Ad valorem taxes are generally collected in December of the current year and January and February of the ensuing year. Current tax collections for the years ended June 30, 2023 and 2022 were 99.42% and 100.08%, respectively, of the tax levies.

As required by State of Louisiana statutes, prescribed deductions are made from the District's property tax receipts to cover contributions to various pension funds. The deductions for the years ended June 30, 2023 and 2022 were $47,096 and $46,441, respectively.

(10) PENSION PLAN

Plan Descriptions

Employees of [the District 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

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits vary depending on the member's hire date, employer, and job classification. Employees hired prior to July 1, 2006 are eligible to retire at age 60 with 10 years of accredited service or 30 years of creditable service regardless of age. Employees hired between July 1, 2006 and June 30, 2015 are eligible to retire at age 60 with five years of accredited service. Employees hired on or after July 1, 2015 are eligible to retire at age 62 with five years of accredited service. 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.

(10) PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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 12 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.

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 .5% 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.

(10) PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of .5% 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.

Active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 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 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

LASERS allows for the payment of ad hoc 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 (LA R.S. 11:101-11:104) by the Public Retirement System's Actuarial Committee (PRSAC). Substantially all of the District's employees participating in LASERS are included in the Regular Plan. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the District is required to make employer contributions based on an actuarially determined rate. The employer contribution rates for the fiscal years ended June 30, 2023 and 2022 was 40.4% and 39.5% of annual covered payroll, respectively. The District's contributions paid to LASERS for the years ended June 30, 2023 and 2022 were $511,263 and $511,097, respectively.

(10) PENSION PLAN (CONTINUED)

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

At June 30, 2023 and 2022, the District reported a liability for its participation in LASERS of $4,301,417 and $3,730,870, respectively, for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022 and 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2022 measurement date, the District's proportion in LASERS was 0.05690%, which was an decrease of 0.01089% from its proportion measured at June 30, 2021.

For the years ended June 30, 2023 and 2022, the District recognized pension expense of $386,456 and $261,561 for its participation in LASERS.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in LASERS:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 11,731	$ -
Changes of assumptions	78,206	-
Net difference between projected and actual earnings on pension plan investments	346,464	-
Changes in proportion between employer contributions and proprotionate share of contributions	100,988	491,207
Employer contributions subsequent to the measurement date	511,263	-
	$ 1,048,652	$ 491,207

(10) PENSION PLAN (CONTINUED)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in LASERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,685	$ -
Changes of assumptions	91,384	-
Net difference between projected and actual earnings on pension plan investments	-	870,052
Changes in proportion between employer contributions and proprotionate share of contributions	167,610	41,634
Employer contributions subsequent to the measurement date	511,097	-
	$ 773,776	$ 911,686

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for LASERS of $511,263 and $511,097, respectively, will be recognized as a reduction of the net pension liability during the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended June 30	
2024	$ 57,851
2025	(161,570)
2026	(87,611)
2027	237,512

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation for LASERS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	2.6% - 13.8%
Investment Rate of Return	7.25%, net of investment expenses
Dates of Experience Study	2014 - 2018
Mortality Rates	RP-2014 Healthy Annuitant Tables projected to 2018 RP-2000 Disabled Tables with no projection

(10) PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rates of return on pension plan investments of LASERS were 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 expected real rates of return of LASERS for each major asset class as of the June 30, 2022 measurement date are summarized in the following table:

Expected Long Term Real Rate of Return	
Asset Class	2022
Cash	0.39%
Domestic Equity	4.57%
International Equity	5.76%
Domestic Fixed Income	1.48%
International Fixed Income	5.04%
Alternative Investments	8.30%
Total Fund	5.91%

Discount Rate

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

(10) PENSION PLAN (CONTINUED)

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

The following presents the District's proportionate share of the net pension liability of LASERS as of June 30, 2023 and 2022 using the current discount rate of 7.25% and 7.40%, respectively, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	District's Proportionate Share of the Net Pension Liability		
	1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
June 30, 2023			
Louisiana State Employees' Retirement System	$ 5,412,439	$ 4,301,417	$ 3,288,328

	District's Proportionate Share of the Net Pension Liability		
	1.00% Decrease 6.40%	Current Discount Rate 7.40%	1.00% Increase 8.40%
June 30, 2022			
Louisiana State Employees' Retirement System	$ 5,055,047	$ 3,730,870	$ 2,604,162

Pension Plan Fiduciary Net Position

Detailed information about the pension plan fiduciary net position is available in the separately issued financial report for LASERS.

(11) DEFERRED COMPENSATION PLAN

The Louisiana Public Employees Deferred Compensation Plan (the Plan) was adopted by the Louisiana Deferred Compensation Commission effective September 15, 1982. The Plan was established in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and section 457 of the Internal Revenue Code of 1954, as amended, for the purpose of providing supple-mental retirement income to employees by permitting them to defer a portion of compensation to be invested and distributed in accordance with the terms of the Plan.

All compensation deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held for the exclusive benefit of participants and their beneficiaries.

(11) DEFERRED COMPENSATION PLAN (CONTINUED)

The maximum amount of compensation which may be deferred during a calendar year shall not exceed $22,500 and $20,500 for the years ended June 30, 2023 and 2022, respectively.

The District makes contributions to the Plan on behalf of each employee based on the following schedule:

Years of Service	Monthly Contribution
0-2	$ 30
3-5	60
6-9	90
10-14	120
15 and over	150

Contributions to the Plan by employees totaled $101,927 and $104,701 for the years ended June 30, 2023 and 2022, respectively. Contributions to the Plan by the District totaled $44,075 and $42,108 for the years ended June 30, 2023 and 2022, respectively.

(12) COMMITMENTS AND CONTINGENCIES

The District was involved in legal proceedings following its expropriation of approximately 71 acres of land for expansion of port services. The previous landowner (Violet Dock) contested the expropriation. A district court judge upheld the District's expropriation of the property during a bench trial on February 1, 2012.

A three-judge panel at the Fourth Circuit heard oral argument on April 30, 2018 solely on the question of the value of the Property with St. Bernard Port arguing that the value of the Property was no more than $16,000,000.

On September 12, 2018, the Fourth Circuit issued its opinion and increased the award to Violet Dock from $16,000,000 to $28,764,685 and also awarding attorneys' fees and costs.

On February 11, 2019, the Louisiana Supreme Court denied both the Port's and Violet Dock's writ application and the $28,764,685 just compensation award plus judicial interest and attorneys' fees became a final award.

(12) COMMITMENTS AND CONTINGENCIES (CONTINUED)

On December 29, 2020, the District entered into an amendment of a cooperative endeavor agreement with the Board of Commissioners of the Port of New Orleans (the Board) whereby the Board acquired the judgments owed by the District and acquired the property from the District in full payment and satisfaction of the judgments. The Board negotiated a resolution of litigation with Violet Dock for the close out and release of the judgments for the sum of $21,000,000. The Board funded $18,000,000 of the resolution amount and the District funded $3,000,000 of the resolution amount. As a result, Violet Dock released all rights and claims against the District, released the judgments, released and settled all claims, and the District conveyed the Violet Dock property consisting of land, improvements, and other assets (net of accumulated depreciation), to the Board at a loss of $17,565,070. On or before December 29, 2021, the Board was required to pay the District the sum of $1,500,000 in consideration for the District's agreement not to develop the Violet Dock property as a container terminal or otherwise compete in any international container vessel-related activities for a period of eight years. This sum was paid in full.

Commencing on the Amendment Effective Date and continuing until December 29, 2022 (the "Second Closing Deadline," and the period between the Amendment Effective Date and the Second Closing Deadline is the "Feasibility Period"), the Board will undertake such due diligence and title investigations, determination of governmental approvals, and analyses of impact strategies (community, commercial, rail, navigation, and road) as it considers in its good-faith judgment are necessary or appropriate to determine the feasibility of and otherwise relating to the Project. The Board's diligence during the Feasibility Period will include its diligence on the Non-VDP Property, including its obtaining acceptable title, soil, environmental, wetlands, physical inspection, and property condition reports and studies and other due diligence by the Board during the Feasibility Period. The District will reasonably cooperate in good faith with the Board during the Feasibility Period. The Board provided written notice to the District on August 31, 2022 that the Board elected to move forward with the project and also provided written notice prior to November 1, 2022, that it elected to consummate the Second Closing.

(12) COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Board represents and warrants that it must acquire the Non-VDP Property to develop the Project, and it has agreed both to make certain payments to the District and to acquire the Non-VDP Property if it intends to move forward with the Project. Consequently, as part of the First Closing on the Amendment Effective Date, the District and the Board will execute the Non-VDP Property and Payment Agreement in the form that has been approved by the Parties (when executed, the "Non-VDP Property and Payment Agreement") in which the Board agrees that if it intends to move forward with the Project, then on or before the Second Closing Deadline, it will purchase the Non-VDP Property and pay the District the sum of $8,000,000, in consideration for this agreement to sell by the District, the District's sale to the Board of the Non-VDP Property, the District's resulting need to construct additional facilities to replace the berths and facilities at the VDP Property and the Non-VDP Property, the cancellation of the District's Repurchase Option (as defined below), the District's agreement to cooperate reasonably and in good faith with the Board, the District's agreement not to compete, and the District's reasonable assistance with the Parish and the community (this sum of $8,000,000 is the "Non-VDP Property and Development Payment"), the District agrees to sell the Non-VDP Property to the Board upon the Board's payment of the Non-VDP Property and Development Payment and otherwise on the terms set out for the Second Closing in the Non-VDP Property and Payment Agreement. As part of the Fourth Amendment to the agreement, because the District has not yet obtained a consent to assignment from the landlord under the Meraux lease as provided in the Second Amendment, the parties agreed to, among other assignments, to reduce the Non-VDP Property and Development Payment from $8,000,000 to $7,000,000 and to provide for a Third Closing at which the Board will make the $1,000,000 Assignment Payment and the District will convey its rights and interests under the Meraux lease to the Board. As part of the Second Closing, the District purchased from the Board 26 acres of land for the price of $669,700, and this price was paid at the Second Closing by offset against the Non-VDP Property and Development Payment. The total payment of $6,330,081 was made on January 19, 2023 and is recorded in the accompanying financial statements.

Simultaneously, on the amendment effective date, the Board and the District executed a new lease in the form that has been approved by both Parties (the "New Lease") pursuant to which the Board leased to the District Berth 1 and Berth 2 of the VPD Property as shown on Exhibit "C" to the New Lease, together with the Violet Buoys (as defined io the New Lease) (collectively, the "Leased Premises") for a five-year term commencing on the Amendment Effective Date, for an annual rental of $540,000.00 per year commencing on the Amendment Effective Date (but subject to the provisions below), under which the District will have the right to sublease its rights and obligations in order to allow AT to continue operations of the Leased Premises, and otherwise on the terms and conditions set out in the New Lease, and a Notice of Lease with respect to the New Lease in the form that has been approved by both Parties (the "Notice of New Lease"); and

(12) COMMITMENTS AND CONTINGENCIES (CONTINUED)

The District and AT have executed a Ninth Amendment to Amended, Restated, and Superseding Lease in the form that has been approved by both Parties (when executed, the "AT Sublease") pursuant to which the District and AT have amended the Base Master Lease (as defined in the AT Sublease) first to terminate the Base Master Lease with respect to all parts of the VDP Property, then to sublease the Leased Premises to AT for a five-year term, in other aspects consistent with the terms and conditions of the New Lease, and on the terms set out in the Ninth Amendment.

Notwithstanding the District's obligation to pay the rent set out in the New Lease, and as more fully set out in the New Lease, the rent will be abated during the Feasibility Period (this abated rent in the amount of $1,080,000 is the "Deferred Rent"), and if the Board intends to move forward with the development of the Project at the VDP Property or otherwise acquires the Non-VDP Property (and provided that the Non-VDP Property and Payment Agreement has not been terminated by reason of the District's default), then the Deferred Rent and the rent for the remaining three (3) years of the term of the New Lease, from January 1, 2023 through December 31, 2025, shall be abated and shall not be payable as further consideration for the District's obligations as set forth in the Second Amendment. As a result of this transaction, $810,000 of rent expense and corresponding deferred rent payable is abated in the accompanying financial statements.

However, if the Board does not intend to move forward with the development of the Project or does not acquire the Non-VDP Property (other than by reason of the District's default), then the rent payable under the New Lease will be payable in accordance with the New Lease commencing January 1, 2023, and that rent shall be paid by the District to the Board monthly on the first day of each month until the expiration or sooner termination of the New Lease. In addition, on the expiration or sooner termination of the New Lease, including a termination by the Board by reason of a District default that continues beyond the notice and cure period provided in the New Lease but not including a termination by reason of the Board's default, the Deferred Rent shall be paid by the District to the Board on such expiration or sooner termination date.

During the years ended June 30, 2023 and 2022, the District incurred $85,178 and $46,042 of legal expenses related to the expropriation, respectively.

(13) USE OF ESTIMATES

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

(14) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 100 "Accounting Changes and Error Corrections". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The District plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 101 "Compensated Absences". The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The District plans to adopt this Statement as applicable by the effective date.

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2023, which is the date the financial statements were available to be issued.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
FOR THE NINE YEARS ENDED JUNE 30, 2023

Fiscal Year*	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a % of of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
LASERS:					
2023	0.0569%	$ 4,301,417	$ 1,293,917	332.43%	63.70%
2022	0.0678%	3,730,870	1,376,498	271.04%	72.80%
2021	0.0643%	5,317,791	1,299,429	409.24%	58.00%
2020	0.0651%	4,712,671	1,238,026	380.66%	62.90%
2019	0.0612%	4,174,477	1,167,014	357.71%	64.30%
2018	0.0586%	4,122,854	1,114,374	369.97%	62.50%
2017	0.0561%	4,408,266	1,045,284	421.73%	57.70%
2016	0.0527%	3,587,932	994,779	360.68%	62.70%
2015	0.0527%	3,295,649	1,162,778	283.43%	65.00%

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

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

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
FOR THE NINE YEARS ENDED JUNE 30, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
LASERS:					
2023	$ 511,263	$ 511,263	-	$ 1,265,502	40.40%
2022	511,097	511,097	0	1,293,917	39.50%
2021	551,975	551,975	-	1,376,498	40.10%
2020	528,868	528,868	(0)	1,299,429	40.70%
2019	469,212	469,212	(0)	1,238,026	37.90%
2018	442,298	448,925	(6,627)	1,167,014	38.47%
2017	398,946	405,704	(6,758)	1,114,374	36.41%
2016	388,846	392,020	(3,174)	1,045,284	37.50%
2015	368,068	368,068	-	994,779	37.00%

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
FOR THE SIX YEARS ENDED JUNE 30, 2023

Fiscal Year*	District's Beginning Total OPEB Liability	Service Costs	Interest	Difference Between Expected and Actual Experience	Changes in Assumptions	Contributions	District's Ending Total OPEB Liability
2023	$ 3,341,010	$ 119,874	$ 74,821	$ (533,580)	$ (1,018,256)	$ (57,761)	$ 1,926,108
2022	2,832,060	92,384	77,019	84,365	313,569	(58,387)	3,341,010
2021	2,615,231	89,350	74,587	94,518	21,264	(62,890)	2,832,060
2020	2,793,865	121,873	85,962	71,858	(395,650)	(62,677)	2,615,231
2019	2,447,902	117,616	79,541	310,994	(113,244)	(48,944)	2,793,865
2018	2,485,894	127,360	70,160	-	(186,568)	(48,944)	2,447,902

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

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

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
FOR THE SIX YEARS ENDED JUNE 30, 2023

Fiscal Year	Actuarially Estimated Contributions	District's Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage Of Covered Employee Payroll	Total OPEB Liability as a Percentage of Covered Employee Payroll
2023	$ 34,823	$ 51,568	$ (16,745)	$ 1,265,502	4.07%	152.20%
2022	57,133	56,800	333	1,293,917	4.39%	258.21%
2021	61,197	57,168	4,029	1,376,498	4.15%	205.74%
2020	61,283	61,197	86	1,299,429	4.71%	201.26%
2019	53,029	61,283	(8,254)	1,238,026	4.95%	225.67%
2018	48,944	53,029	(4,085)	1,167,014	4.54%	209.76%

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

See Independent Auditors' Report

(1) SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

This schedule reflects the participation of the District's employees in Louisiana State Employees' Retirement System, and its proportionate share of the net pension liability, the proportionate share of the net pension liability as a percentage of its covered payroll, and the plan fiduciary net position as a percentage of the total pension liability. The employers' net pension liability is the liability of the District's employees for benefits provided through Louisiana State Employees' Retirement System. Covered payroll is the payroll of all employees that are provided with benefits through the plan. The amounts in the schedule for each fiscal year were determined as the prior fiscal year ended.

(2) SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered payroll, is presented in this schedule. The amounts presented in the schedule were determined as of the end of each fiscal year.

(3) SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

This schedule reflects the participation of the District's employees in the State of Louisiana Postemployment Benefits Plan and changes in the total other postemployment liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

(4) CHANGES OF BENEFIT TERMS

During the reporting period 2017, a 1.5% Cost of Living Adjustment (COLA) was granted by LASERS. There were no changes in benefit terms for any of the remaining years presented.

(5) CHANGES IN ASSUMPTIONS

Pension Plan

Amounts reported in the actuary valuations dated June 30, 2018 and 2017 for LASERS reflect an adjustment in the discount rate, inflation rate, and salary increases used to value the projected benefit payments attributed to past periods of service. Other changes were as follows:

(5) CHANGES IN ASSUMPTIONS (CONTINUED)

Pension Plan (Continued)

Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Investment Rate of Return	7.25%	7.40%	7.55%	7.60%	7.65%	7.70%	7.75%
Inflation Rate	2.30%	2.30%	2.30%	2.50%	2.75%	2.75%	3.00%
Expected Remaining Service Lives	2 years	2 years	2 years	2 Years	3 Years	3 Years	3 Years
Salary Increases	2.6% - 13.8%	2.6% - 13.8%	2.6% - 13.8%	2.8% - 14.0%	2.8% - 14.3%	2.8% - 14.3%	3.0% - 14.5%
Mortality Rate - Active & Retired Members	Mortality rates based on the RP-2014 mortality tables	Mortality rates based on the RP-2014 mortality tables	Mortality rates based on the RP-2014 mortality tables	Mortality rates based on the RP-2014 mortality tables	Mortality rates based on the RP-2000 mortality tables	Mortality rates based on the RP-2000 mortality tables	Mortality rates based on the RP-2000 mortality tables
Termination, disability, and retirement assumptions	Projected on a 5 year (2014-2018) experience study	Projected on a 5 year (2014-2018) experience study	Projected on a 5 year (2014-2018) experience study	Projected on a 5 year (2014-2018) experience study	Projected on a 5 year (2009-2013) experience study	Projected on a 5 year (2009-2013) experience study	Projected on a 5 year (2009-2013) experience study

OPEB Plan

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

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

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

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

(5) CHANGES IN ASSUMPTIONS (CONTINUED)

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

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
CHALMETTE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

Executive Director: Drew Heaphy

	2023	2022
Salary	$ 222,696	$ 222,696
Benefits - insurance	22,683	20,928
Benefits - retirement (LASERS)	-	23,341
Benefits - retirement (State Deferred Compensation Plan)	15,150	14,148
Vehicle provided by government	10,932	10,248
Per diem	403	702
Reimbursements	3,916	4,206
Travel	11,864	7,295
Membership dues	3,340	1,695
Registration fees	4,875	4,000
Cell phone allowance	960	-
Total compensation, benefits, and other payments	$ 296,819	$ 309,259

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

To the Board of Commissioners of
The St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the St. Bernard Port, Harbor and Terminal District (the District), which comprise the consolidated statement of financial position as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
The St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 18, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

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

To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the St. Bernard Port, Harbor and Terminal District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended . The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 18, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
Department of Homeland Security		
Pass-through from the State of Louisiana		
Port Security Grant Program	97.056	$ 340,944
Disaster Grants - Public Assistance	97.036	579,408
Total Department of Homeland Security		920,352
Department of Transportation		
National Infrastructure Investments	20.933	3,307,426
Total Department of Transportation		3,307,426
Total Federal Assistance Expended		$ 4,227,778

(See Independent Auditors' Report)

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the St. Bernard Port, Harbor and Terminal District under programs of the federal government for the year ended June 30, 2023. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the St. Bernard Port, Harbor and Terminal District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the St. Bernard Port, Harbor and Terminal District.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the St. Bernard Port, Harbor and Terminal District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2023.

(3) INDIRECT COST RATE

The St. Bernard Port, Harbor and Terminal District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the St. Bernard Port, Harbor and Terminal District.

2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the St. Bernard Port, Harbor and Terminal District were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs for the St. Bernard Port, Harbor and Terminal District expresses an unmodified opinion.

6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).

7. A management letter was not issued for the year ended June 30, 2023.

8. The program tested as major program was:

	AL#
National Infrastructure Investments	20.933

9. The threshold for distinguishing Types A and B programs was $750,000.

10. The St. Bernard Parish Port, Harbor and Terminal District was determined to be a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2023.

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

There were no findings related to major federal award programs for the year ended June 30, 2023.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2022.

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

There were no findings related to major federal award programs for the year ended June 30, 2022.

SECTION III - MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2022.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

LOUISIANA LEGISLATIVE AUDITOR

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

JUNE 30, 2023

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2023. The St. Bernard Port, Harbor and Terminal District's management is responsible for those C/C areas identified in the AUPs.

The St. Bernard Port, Harbor and Terminal District (the District) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUP's, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

December 18, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

    b) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

    c) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

    d) ***Disbursements***, including processing, reviewing, and approving.

    e) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

    f) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

    g) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

    h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

    i) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

    j) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

k) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

l) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

m) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the procedure.

BOARD OR FINANCE COMMITTEE

2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity’s collections during the fiscal period.

   c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

   d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

BOARD OR FINANCE COMMITTEE(CONTINUED)

Results: No exceptions were found as a result of applying the procedure.

BANK RECONCILIATIONS

3. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management’s representation that the listing is complete. Ask management to identify the entity’s main operating account. Select the entity’s main operating account and randomly select five additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged).

   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

   Results: No exceptions were found as a result of applying the procedure.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANFERS)

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

COLLECTIONS (CONTINUED)

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

7. **Procedures**: Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the ten deposits and:

a) Observe that receipts are sequentially pre-numbered.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

c) Trace the deposit slip total to the actual deposit per the bank statement.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedures.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than five).

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)(CONTINUED)

9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

    a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

    b) At least two employees are involved in processing and approving payments to vendors.

    c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

    d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

    e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

    b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was

    a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

b) Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of applying the procedures.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

12. **Procedures**: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

13. **Procedures**: Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

    b) Observe that finance charges and late fees were not assessed on the selected statements.

14. **Procedures**: Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Results: No exceptions were found as a result of applying the procedures.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

15. **Procedures**: Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

    d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

    Results: No exceptions were found as a result of applying the procedure.

CONTRACTS

16. **Procedures**: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management’s representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner’s contract, and:

    a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

    b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

    c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

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AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

CONTRACTS(CONTINUED)

d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedure.

PAYROLL AND PERSONNEL

17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. **Procedures**: Randomly select one pay period during the fiscal period. For the five employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records.

d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

19. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management’s representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management’s termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials’ accumulate leave records, agree the pay rates to the employee or officials’ authorized pay rates in the employee or officials’ personnel files, and agree the termination payment to entity policy.

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AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

PAYROLL AND PERSONNEL(CONTINUED)

20. **Procedure**: Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

    Results: No exceptions were found as a result of applying the procedures.

ETHICS

21. **Procedures**: Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

    b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

    c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

    Results: No exceptions were found as a result of applying the procedure.

DEBT SERVICE

22. **Procedure**: Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

23. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    Results: No exceptions were found as a result of applying the procedures.

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AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

FRAUD NOTICE

24. **Procedure**: Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Organization attorney of the parish in which the entity is domiciled.

25. **Procedure**: Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    Results: No exceptions were found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

26. **Procedures**: Perform the following procedures:

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

    b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

    c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

    d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

    Results: We performed the procedures and discussed the results with management.

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AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

SEXUAL HARASSMENT

27. **Procedures**: Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

28. **Procedure**: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

29. **Procedure**: Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

    Results: No exceptions were found as a result of applying the procedures.