
South Tangipahoa Parish
Port Commission

Financial Statements

December 31, 2020

South Tangipahoa Parish Port Commission

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Independent Auditor's Report

To the Board of Commissioners
South Tangipahoa Parish Port Commission
Ponchatoula, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of South Tangipahoa Parish Port Commission as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the South Tangipahoa Parish Port Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of South Tangipahoa Parish Port Commission as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7; the schedule of changes in total OPEB liability on page 28, schedule of employer's proportionate share of net pension liability at page 29; and schedule of employer's pension contributions at page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during 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 and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the South Tangipahoa Parish Port Commission. The accompanying schedule of compensation, benefits, and other payments to commission head, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to commission head 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 commission head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Commissioners
South Tangipahoa Parish Port Commission

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021, on our consideration of the South Tangipahoa Parish Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Tangipahoa Parish Port Commission's internal control over financial reporting and compliance.


Covington, Louisiana
June 22, 2021

Management's Discussion and Analysis

South Tangipahoa Parish Port Commission

Management's Discussion and Analysis

Introduction

This section of the South Tangipahoa Parish Port Commission's (the "Commission") annual financial report presents a discussion and analysis of the Commission's financial performance during the year that ended December 31, 2020. It should be read in conjunction with the financial statements, which follow this section.

Overview of the Financial Statements

This financial report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and notes to the financial statements.

The financial statements provide both long-term and short-term information about the Commission's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The Commission's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Position.

All assets and liabilities associated with the operations of the Commission are included in the Statement of Net Position. The Statement of Net Position reports the Commission's net assets, which is the difference between its assets and liabilities. Net position is one way to measure the Commission's financial health.

Financial Highlights

At December 31, 2020, the Commission's assets exceeded its liabilities by \$7,480,035. Of this amount, \$894,370 is unrestricted and may be used to meet the Commission's ongoing obligations.

At December 31, 2019, the Commission's assets exceeded its liabilities by \$7,626,934. Of this amount, \$752,911 was available to meet the Commission's ongoing obligations.

The Commission had a decrease in net position of \$7,508 for the year ended December 31, 2020 compared to an increase in net position of \$337,199 for the year ended December 31, 2019. The Commission's cash balance was \$464,854 at December 31, 2020 compared to \$344,718 at December 31, 2019.

South Tangipahoa Parish Port Commission Management's Discussion and Analysis

Financial Analysis

The Commission's total assets at December 31, 2020 were approximately \$7.9 million. The change in the composition of assets is primarily due to a decrease in receivables. The condensed statements of net position is as follows:

	2020	2019	Variance	% Variance
Assets				
Current assets	\$ 1,238,634	\$ 1,634,758	\$ (396,124)	-24.23%
Capital assets, net	6,585,665	6,874,023	(288,358)	-4.19%
Other assets	2,100	2,100	-	0.00%
	<u>7,826,399</u>	<u>8,510,881</u>	<u>(684,482)</u>	<u>-8.04%</u>
Deferred outflows of resources	<u>64,555</u>	<u>27,848</u>	<u>36,707</u>	<u>131.81%</u>
	<u><u>\$ 7,890,954</u></u>	<u><u>\$ 8,538,729</u></u>	<u><u>\$ (647,775)</u></u>	<u><u>-7.59%</u></u>
Liabilities				
Current liabilities	\$ 23,065	\$ 620,366	\$ (597,301)	-96.28%
Noncurrent liabilities	323,299	263,581	59,718	22.66%
	<u>346,364</u>	<u>883,947</u>	<u>(537,583)</u>	<u>-60.82%</u>
Deferred inflows of resources	<u>122,174</u>	<u>224,858</u>	<u>(102,684)</u>	<u>-45.67%</u>
Net Position				
Net investment in capital assets	6,585,665	6,874,023	(288,358)	-4.19%
Unrestricted	836,751	555,901	280,850	50.52%
	<u>7,422,416</u>	<u>7,429,924</u>	<u>(7,508)</u>	<u>-0.10%</u>
	<u><u>\$ 7,890,954</u></u>	<u><u>\$ 8,538,729</u></u>	<u><u>\$ (647,775)</u></u>	<u><u>-7.59%</u></u>

Total liabilities decreased by \$537,583 from 2019 to 2020. The primary cause is a decrease in the accounts payable balance.

Net position decreased by \$7,508, as explained in the following section. Net investment in capital assets reflect capital assets, net of accumulated depreciation.

South Tangipahoa Parish Port Commission Management's Discussion and Analysis

The Commission's operating revenues for the year ended December 31, 2020 were \$516,007, a decrease of 44.7% from the previous year. Total expenses decreased 13.89% to \$557,009, which includes \$324,343 of depreciation expense. The changes in net position are detailed below in the condensed statements of revenues, expenses, and changes in net position.

	2020	2019	Variance	% Variance
Revenues				
Rentals	\$ 512,814	\$ 384,644	\$ 128,170	33.32%
Grants	-	545,667	(545,667)	-100.00%
Miscellaneous	3,193	2,862	331	11.57%
	<u>516,007</u>	<u>933,173</u>	<u>(417,166)</u>	<u>-44.70%</u>
Expenses				
Salaries and related expenses	56,055	81,278	(25,223)	-31.03%
Property maintenance	34,404	37,966	(3,562)	-9.38%
Depreciation	324,343	371,631	(47,288)	-12.72%
Insurance	71,050	69,113	1,937	2.80%
Administrative and other	71,157	86,874	(15,717)	-18.09%
	<u>557,009</u>	<u>646,862</u>	<u>(89,853)</u>	<u>-13.89%</u>
Operating income (loss)	<u>(41,002)</u>	<u>286,311</u>	<u>(327,313)</u>	<u>114.32%</u>
Non-Operating Revenue (Expense)				
Investment return and interest	33,494	49,888	(16,394)	-32.86%
Gain on sale of equipment	-	1,000	(1,000)	-100.00%
	<u>33,494</u>	<u>50,888</u>	<u>(17,394)</u>	<u>-34.18%</u>
Increase (decrease) in net position	(7,508)	337,199	(344,707)	-102.23%
Net position, beginning of year	<u>7,429,924</u>	<u>7,092,725</u>	<u>337,199</u>	<u>4.75%</u>
Net position, end of year	<u>\$ 7,422,416</u>	<u>\$ 7,429,924</u>	<u>\$ (7,508)</u>	<u>-0.10%</u>

Capital Assets

The Commission's investment in capital assets at December 31, 2020 amounts to \$6,585,665, net of accumulated depreciation. This investment consists principally of land, buildings, docks, and equipment. The Commission currently has an ongoing construction project to facilitate the maximum use of the Commission's property. Additions during 2020 consist of \$35,985 in construction in progress.

South Tangipahoa Parish Port Commission Management's Discussion and Analysis

Other Factors Affecting the Commission

Management is currently redeveloping the facility into an efficient and safe trans-loading terminal for bulk, break bulk, neo bulk, and containerized cargo by barge, rail and truck at one prime location. The three-million-dollar infrastructure improvement programs will provide a new bulkhead, lay down storage areas, and comprehensive rail spur maintenance at the facility. The projects are designed to attract new industries and create new jobs for residents of the Tangipahoa Parish community. The new infrastructure projects are also an integral part of the port's "Master Plan" that was created in 2007 as a guide to future development of the facility.

Contacting the Commission's Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Patrick Dufresne, Executive Director
163 W. Hickory Street
Ponchatoula, Louisiana 70454
(985) 386-9309

Financial Statements

South Tangipahoa Parish Port Commission
Statement of Net Position
December 31, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Cash and cash equivalents	\$ 464,854
Certificates of deposit	731,776
Accounts receivable	11,199
Interest receivable	3,512
Prepaid expenses	27,293
	<u>1,238,634</u>

Capital Assets

Property and equipment, net	6,585,665
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Other Assets

Utility deposit	2,100
	<u>7,826,399</u>

Deferred Outflows of Resources

Deferred outflows related to pension plan	27,557
Deferred outflows related to OPEB plan	36,998
	<u>64,555</u>
	<u>\$ 7,890,954</u>

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND NET POSITION**

Current Liabilities

Accounts payable	\$ 11,497
Accrued expenses	11,568
	<u>23,065</u>

Noncurrent Liabilities

Compensated absences	17,562
Other postemployment benefits payable	168,196
Net pension liability	137,541
	<u>323,299</u>
	<u>346,364</u>

Deferred Inflows of Resources

Deferred inflows related to pension plan	110,368
Deferred inflows related to OPEB plan	11,806
	<u>122,174</u>

Net Position

Net investment in capital assets	6,585,665
Unrestricted	836,751
	<u>7,422,416</u>
	<u>\$ 7,890,954</u>

See accompanying notes to financial statements.

South Tangipahoa Parish Port Commission
Statement Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2020

Operating Revenues	
Rentals	\$ 512,814
Miscellaneous	3,193
	<u>516,007</u>
Operating Expenses	
Salaries and related expenses	121,619
Retirement benefits and changes in pension valuation	(88,455)
Post-employment benefits expense	22,891
Property maintenance	34,404
Depreciation	324,343
Rents and leases	12,600
Office supplies	1,433
Utilities	22,697
Accounting services	10,530
Legal fees	3,620
Professional services	8,230
Insurance	71,050
Marketing	9,847
Memberships and dues	2,200
	<u>557,009</u>
Operating loss	<u>(41,002)</u>
Non-Operating Revenue	
Investment gains	18,208
Interest income	15,286
	<u>33,494</u>
Decrease in Net Position	(7,508)
Beginning Net Position	<u>7,429,924</u>
Ending Net Position	<u><u>\$ 7,422,416</u></u>

See accompanying notes to financial statements.

South Tangipahoa Parish Port Commission
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash Flows From Operating Activities

Receipts:

Rentals	\$ 512,814
Grants	534,468
Miscellaneous	3,193
	<u>1,050,475</u>

Disbursements:

Payments to employees for services	(135,728)
Payments to suppliers for goods and services	(773,912)
	<u>(909,640)</u>

Net cash provided by operating activities	<u>140,835</u>
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Cash Flows From Capital and Related Financing Activities

Purchases of property and equipment	<u>(35,985)</u>
Net cash used in capital and related financing activities	<u>(35,985)</u>

Cash Flows From Investing Activities

Additions to certificates of deposit	(99,852)
Sales and maturities of investment	99,852
Interest income	15,286
Net cash provided by investing activities	<u>15,286</u>

Net increase (decrease) in cash and cash equivalents	120,136
Cash and cash equivalents, beginning balance	<u>344,718</u>
Cash and cash equivalents, ending balance	<u><u>\$ 464,854</u></u>

South Tangipahoa Parish Port Commission
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2020

Reconciliation of Operating Income (Loss) to	
Cash Flows From Operating Activities	
Operating income (loss)	\$ (41,002)
Adjustments to reconcile the operating income (loss) to net cash provided by operating activities:	
Depreciation	324,343
(Increase) decrease in:	
Accounts receivable	534,468
Deferred outflows related to pensions	(14,281)
Deferred outflows related to OPEB	(22,426)
Increase (decrease) in:	
Accounts payable	(597,301)
Net pension liability	10,465
Post-employment benefits payable	49,253
Deferred inflows related to pensions	(98,748)
Deferred inflows related to OPEB	(3,936)
Net cash provided by operating activities	<u>\$ 140,835</u>

See accompanying notes to financial statements.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies

Nature of Operations

The South Tangipahoa Parish Port Commission (the "Commission") was established and provided for by R.S. 34:1951 of Louisiana Revised Statutes (LRS). The Commission was granted authority to own, construct, operate, and maintain property, structures, and facilities necessary or useful for port, recreational, harbor, and terminal purposes. In addition, the Commission also has the authority to make and enter into contracts, leases, and other agreements with operating entities interested in the transportation, storage, and shipping of products.

The Commission consists of the boundaries and limits of Wards 6, 7, and 8 of Tangipahoa Parish. The South Tangipahoa Parish Port Commission is governed by seven board members from Tangipahoa Parish who are appointed directly by the Governor and serve with no compensation.

The Commission maintains an office located in Ponchatoula, Louisiana and a port facility located in Manchac, Louisiana. The 140-acre port terminal currently contains two (2) 30,000 square foot warehouse facilities, two (2) barge docks, and 6,000 feet of storage track located directly adjacent to the mainline of the Canadian National Railroad. The Commission presently has two paid employees, an executive director and an administrative assistant, and the port facility is operated under a Marine Terminal Operators Agreement with a contract operator.

Financial Statement Presentation

The Commission's operations are accounted for in a proprietary fund type - the enterprise fund, which is similar to private business enterprises. Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statements of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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 and 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and certain highly liquid investments purchased with an initial maturity of 90 days or less.

Accounts Receivable

Accounts receivable is uncollateralized and stated at net realizable value. Management considers all accounts receivable balances collectible, thus no allowance for doubtful accounts has been recorded.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

Investments

The Commission reports its investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. The Commission capitalizes individual purchases of property and equipment in excess of \$5,000. Depreciation is recorded on a straight-line basis over the estimated useful lives of 10 to 40 years.

Net Position

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets

Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation

Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets"

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

Compensated Absences

Employees of the Commission are covered by the State of Louisiana civil service regulations and, as such, accumulate sick and annual leave in accordance with varying rates stipulated under these regulations. Upon termination and/or retirement, unused vacation not to exceed 300 hours is paid to the employee at the employee's current rate of pay. At retirement, unused vacation in excess of 300 hours and unused sick leave is considered in computing the years of service for retirement benefit purposes.

As of December 31, 2020, employees of the Commission have accumulated and vested employee leave benefits of \$17,562. No accrual for vacation leave in excess of 300 hours or sick leave has been accrued since the employees are not entitled to it upon termination.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

Pensions

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

Other Postemployment Benefits

The Commission adopted GASB Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*." The requirements of this statement improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense.

New Accounting Pronouncements

The Government Accounting Standards Board ("GASB") has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" was issued by GASB to address practice issues identified after other standards have been approved for implementation. This Omnibus addresses eight recent pronouncements, including GASB 87 – *Leases*, GASB 84 – *Fiduciary Activities*, and GASB 83 – *Asset Retirement Obligations*. GASB 92 is effective for reporting periods beginning after June 15, 2021.

South Tangipahoa Parish Port Commission
Notes to Financial Statements

2. Deposits

The Commission's deposits consist of the following at December 31, 2020:

	<u>Cash</u>
Deposits per statement of net position	\$ 464,854
Deposits per financial institutions	<u>464,912</u>
Bank Balances:	
Uninsured and uncollateralized	\$ -
Collateralized with securities held by the pledging institution's trust department or agent, in the Commission's name	-
Collateralized, including securities held by the pledging institution or its agent but not in the Commission's name	<u>214,912</u>
	<u><u>\$ 214,912</u></u>

Custodial Deposit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it.

3. Investments

The Commission may invest idle funds as authorized by Louisiana Statutes, as follows:

- a. United States bonds, treasury notes, certificates, or any other federally insured investment.
- b. Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana.
- c. Mutual or trust funds, 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 government or its agencies.

Investments are measured at fair value and are comprised of the following at December 31, 2020:

	<u>Maturity Less Than One Year</u>
Certificates of deposit	\$ 731,776

South Tangipahoa Parish Port Commission

Notes to Financial Statements

The following schedule summarizes investment return (loss), including interest and administrative fees, and its classification in the financial statements for the year ended December 31, 2020:

Increase (decrease) in fair market value of investments	\$	18,208
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Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Commission's investment policy limits interest rate risk by generally limiting maturities of its investments to shorter term securities, money market mutual funds, or similar investment pools.

Credit Risk

The credit risk of investments is the risk that the issuer or counterparty will not meet its obligations. This credit risk is measured by the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations (rating agencies) such as Standard & Poor's (S&P) and Moody's. The Commission limits its investment in securities to those classified as investment grade by S&P (EBB or better) and Moody's (Baa or better). At December 31, 2020, the Commission's portfolio consisted of only securities with a rating of AAA by Moody's and AA+ by S&P.

4. Fair Value Measurements

The fair value measurement accounting literature provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Commission has the ability access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the assets.

The Commission uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

At December 31, 2020, the Commission's investments consist of only certificates of deposit which are assessed using Level 2 inputs.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

5. Property and Equipment

Property and equipment consists of the following at December 31:

	Balance 12/31/19	Additions	Disposals	Balance 12/31/20
Capital Assets Not Being Depreciated				
Land	\$ 303,000	\$ -	\$ -	\$ 303,000
Construction in progress	-	35,985	-	35,985
	<u>303,000</u>	<u>35,985</u>	<u>-</u>	<u>338,985</u>
Capital Assets Being Depreciated				
Port facility	8,880,699	-	-	8,880,699
Wastewater system	205,422	-	-	205,422
Improvements and equipment	4,569,086	-	-	4,569,086
	<u>13,655,207</u>	<u>-</u>	<u>-</u>	<u>13,655,207</u>
Accumulated depreciation	<u>(7,084,184)</u>	<u>(324,343)</u>	<u>-</u>	<u>(7,408,527)</u>
	<u>6,571,023</u>	<u>(324,343)</u>	<u>-</u>	<u>6,246,680</u>
	<u>\$ 6,874,023</u>	<u>\$ (288,358)</u>	<u>\$ -</u>	<u>\$ 6,585,665</u>

Depreciation expense for the year ended December 31, 2020 was \$324,343.

6. Noncurrent Liabilities

The following is a summary of changes in noncurrent liabilities for the year ended December 31, 2020:

	Balance at 12/31/19	Additions	Payments and Reductions	Balance at 12/31/20	Due Within One Year
Other post-employment benefits obligation	\$ 118,943	\$ 49,253	\$ -	\$ 168,196	\$ -
Net pension liability	127,076	10,465	-	137,541	-
Accrued compensated absences	17,562	-	-	17,562	-
	<u>\$ 263,581</u>	<u>\$ 59,718</u>	<u>\$ -</u>	<u>\$ 323,299</u>	<u>\$ -</u>

7. Operating Leases

The Commission rents office space on a month-to-month basis from an unaffiliated company. Rent expense for the year ended December 31, 2020 was \$9,600.

The Commission leases to others substantially all of its land, property and equipment under various operating lease agreements. The majority of the Commission's rental revenue is derived from three customers – Bayou Diesel, Odessey Logntec-Balchem and CC Holdings. For the year ending December 31, 2020, approximately \$225,000, or 44%, of rental revenue was received from Bayou Diesel, approximately \$125,000, or 24% of rental revenue, was received from Odessey Logntec-Balchem and approximately \$87,000, or 17% of rental revenue, was received from CC Holdings.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

As of December 31, 2020, future minimum rental payments to be received under operating leases that have initial or remaining non-cancelable lease terms in excess of one year for each of the next five fiscal years are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 194,942
2022	139,113
2023	139,808
2024	143,286
2025	119,405
	<u>\$ 736,554</u>

8. Retirement Plan

Louisiana State Employees' Retirement System

Plan Description

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

Benefits Provided

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

Retirement Benefits

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

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court

South Tangipahoa Parish Port Commission

Notes to Financial Statements

officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan ("DROP"). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-

South Tangipahoa Parish Port Commission

Notes to Financial Statements

Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

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

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

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased 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 twenty years of service credit, regardless of when earned, in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The Commission's contractually required composite contribution rate for the year ended December 31, 2020 was 40.70% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Commission were \$14,109 for the year ended December 31, 2020.

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

At December 31, 2020, the Commission reported a liability of \$137,541 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Commission's proportion was 0.00166%, which was a decrease of 0.00009% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Commission recognized pension expense of \$17,722 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At December 31, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 1,321
Net difference between projected and actual actual earnings on pension plan investments	20,106	-
Changes in assumptions	440	-
Changes in proportion	-	109,047
Employer contributions subsequent to the measurement date	7,011	-
	<u>\$ 27,557</u>	<u>\$ 110,368</u>

South Tangipahoa Parish Port Commission

Notes to Financial Statements

\$7,011 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Period Ended:</u>	<u>Amount</u>
12/31/21	\$ (104,175)
12/31/22	3,487
12/31/23	6,213
12/31/24	4,653
	<u>\$ (89,822)</u>

Actuarial Assumptions

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

Valuation date:	June 30, 2020
Actuarial Cost Method:	Entry age normal cost
Estimated remaining service life ("ERSL"):	2 years
Investment rate of return	7.55% per annum, net of investment expenses
Inflation rate	2.3% per annum
Salary increases, including inflation and merit increases:	2.6% - 13.8%, including inflation
Cost of living adjustments:	Only those previously granted
Mortality rate	
Non-disabled members:	Mortality rates based on the RP-2014 Healthy Annuitant Tables
Disabled members:	Mortality rates based on the RP-2000 Disabled Retiree Mortality Table

South Tangipahoa Parish Port Commission

Notes to Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Expected Portfolio Real Rate of Return
Cash	-0.59%
Equity	10.62%
Fixed Income	5.74%
Alternative Investments	6.69%
Risk Parity	4.20%
Total Fund	5.81%

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.55%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.55%) or one percentage-point higher (8.55%) than the current rate:

	1.0% Decrease (6.55%)	Current Discount Rate (7.55%)	1.0% Increase (8.55%)
Employer's proportionate share of the net pension liability	\$ 169,017	\$ 137,541	\$ 110,831

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2020 Comprehensive Annual Financial Report at www.lasersonline.org.

Payable to Pension Plan

At December 31, 2020 the Commission accrued \$1,384 as payable to the pension plan.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

9. Other Post-Employment Benefits Plan

Plan Description

The Office of Group Benefits (“OGB”) administers the State of Louisiana’s post-retirement benefits plan – a defined benefit, multiple-employer other postemployment benefit plan (“OPEB”). OPEB provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan, while active, are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees’ Retirement System, Teachers’ Retirement System of Louisiana, Louisiana School Employees’ Retirement System, or Louisiana State Police Retirement System,) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under R.S. 42:851 for health insurance benefits and R.S. 42:821 for life insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802. At December 31, 2020, the Commission had two active employees and no inactive employees were covered by the benefit terms. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of December 31, 2020. The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Employer contributions are based on plan premiums and the employer contribution percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans.

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

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

At December 31, 2020, the Commission reported a liability of \$168,196 for its total OPEB liability. The total OPEB liability was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date. The Commission’s total OPEB liability was based on projections of the Commission’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

South Tangipahoa Parish Port Commission

Notes to Financial Statements

For the year ended December 31, 2020, the Commission recognized a total OPEB expense of \$22,891. The Commission 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 1,785	\$ (7,746)
Changes in assumptions	35,213	(4,060)
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	-	-
	<u>\$ 36,998</u>	<u>\$ (11,806)</u>

Deferred outflows of resources related to OPEB resulting from the Commission's contributions subsequent to the measurement date, if applicable, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Period Ended:</u>	<u>Amount</u>
12/31/2021	\$ 12,742
12/31/2022	12,742
12/31/2023	(292)
12/31/2024	-
Thereafter	-
	<u>\$ 25,192</u>

South Tangipahoa Parish Port Commission

Notes to Financial Statements

Actuarial Methods and Assumptions

The total OPEB obligation in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date:	January 1, 2020
Actuarial cost method:	Entry age normal cost
Investment rate of return	N/A - Benefit payments are funded on a pay-as-you-go basis
Discount rate	2.12% per annum
Healthcare cost trend rate	5.5% annually until year 2030, then 4.5%
Salary increases, including inflation and merit increases:	3.0% annually
Cost of living adjustments:	Not substantively automatic
Mortality	Mortality rates based on the RP-2014 Combined Mortality Table

The discount rate used to measure the total OPEB liability was 2.12%. 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 OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Commission's total OPEB liability using the current discount rate as well as what the Commission's total OPEB 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:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 191,741	\$ 168,196	\$ 148,751

South Tangipahoa Parish Port Commission

Notes to Financial Statements

Sensitivity of the Total OPEB Liability to Changes to the Healthcare Cost Trend Rates

The following presents the Commission's total OPEB liability calculated using assumed trend rates, as well as what the Commission's total OPEB liability would be if it were calculated using a trend rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (4.5%)	Healthcare Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 149,020	\$ 168,196	\$ 191,133

OPEB Expense and changes in OPEB Obligation

The OPEB expense, the OPEB expense contributed to the plan, and the OPEB obligation at the end of the year for the Commission were as follows:

	Total OPEB Liability
Total OPEB liability, beginning of year	\$ 118,943
Service cost	6,797
Interest	3,352
Differences between expected and actual experience	2,678
Changes in assumptions	36,426
Employer contributions	-
Total OPEB liability, end of year	<u>\$ 168,196</u>

Payables to the OPEB Plan

At December 31, 2020, the Commission did not have any amounts due to the OPEB plan.

10. Compensation of Board Members

Board Member	Amount
Daryl Ferrara	\$ -
William Joubert	-
Wesley Daniels	-
Cheryl Brumfield	-
Dr. James Nelson	-
William Poland	-

11. Subsequent Events

Management has evaluated subsequent events through June 22, 2021, which is the date the financial statements were available to be issued.

Required Supplementary Information

South Tangipahoa Parish Port Commission
Schedule of Changes in Total OPEB Liability
For the Year Ended December 31, 2020

Total OPEB Liability	2020	2019	2018
Service cost	\$ 6,797	\$ 5,872	\$ 6,877
Interest	3,352	4,221	3,623
Changes of benefit terms	-	-	-
Changes between expected and actual experience	2,678	(9,388)	(4,227)
Changes in assumptions	36,426	18,215	(8,120)
Employer contributions	-	-	-
	<u>49,253</u>	<u>18,920</u>	<u>(1,847)</u>
Total OPEB liability, beginning of year	<u>\$ 118,943</u>	<u>\$ 100,023</u>	<u>\$ 101,870</u>
Total OPEB liability, end of year	<u><u>\$ 168,196</u></u>	<u><u>\$ 118,943</u></u>	<u><u>\$ 100,023</u></u>
Covered employee payroll	\$ 119,880	\$ 119,880	\$ 119,880
Total OPEB liability as a percentage of covered-employee payroll	140.30%	99.22%	83.44%
OPEB fiduciary net position	-	-	-
OPEB fiduciary net position as a percentage of total OPEB liability	0%	0%	0%

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

South Tangipahoa Parish Port Commission
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2020

	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2020	0.00166%	\$ 137,541	\$ 34,880	394%	57.99%
June 30, 2019	0.00175%	127,076	34,880	364%	62.90%
June 30, 2018	0.00620%	422,494	119,880	352%	64.30%
June 30, 2017	0.00643%	452,597	119,880	378%	62.54%
June 30, 2016	0.00638%	500,679	119,880	418%	57.70%
June 30, 2015	0.00632%	429,583	119,880	358%	62.70%

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

*** The amounts presented have a measurement date of June 30, 2020.*

South Tangipahoa Parish Port Commission
Schedule of Employer's Pension Contributions
For the Year Ended December 31, 2020

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
December 31, 2020	\$ 14,109	\$ 14,109	-	\$ 34,880	40.45%
December 31, 2019	21,680	21,680	-	56,130	38.62%
December 31, 2018	45,434	45,434	-	119,880	37.90%
December 31, 2017	44,175	44,175	-	119,880	36.85%
December 31, 2016	44,595	44,595	-	119,880	37.20%
December 31, 2015	44,355	44,355	-	119,880	37.00%

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

South Tangipahoa Parish Port Commission

Notes to Required Supplementary Information

OPEB Schedule

There are no assets accumulated in a trust that meet the requirements in paragraph 4 of GASB Statement 75 to pay related benefits.

Changes of Benefit Terms

There were no changes in benefit terms in any year presented.

Changes of Assumptions

The discount rate used in actuarial assumptions decreased from 2.74% for the December 31, 2019 measurement date to 2.12% for the December 31, 2020 measurement date. The discount rate used in actuarial assumptions decreased from 4.11% for the December 31, 2018 measurement date to 2.74% for the December 31, 2019 measurement date.

Pension Plan Schedule

Changes of Benefit Terms

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

A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

In the June 30, 2019 valuation, Act 595 of 2018 provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary and Secondary, Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence.

Changes of Assumptions include:

There were several changes in assumptions for the June 30, 2017 valuation. The Board adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019. The Board reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%. In addition, the projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.70% to 7.65%. For the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.65% to 7.60%. For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%.

Supplementary Information

South Tangipahoa Parish Port Commission
Schedule of Compensation, Benefits, and Other Payments to Commission Head
For the Year Ended December 31, 2020

Commission Head: Patrick Dufresne
Position: Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,000
Benefits - insurance	5,871
	<u>\$ 90,871</u>

*Reports Required by
Government Auditing Standards*

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners
South Tangipahoa Parish Port Commission
Ponchatoula, 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 South Tangipahoa Parish Port Commission, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise South Tangipahoa Parish Port Commission's basic financial statements, and have issued our report thereon dated June 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Tangipahoa Parish Port Commission'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Tangipahoa Parish Port Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Tangipahoa Parish Port Commission's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Tangipahoa Parish Port Commission'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Covington, Louisiana
June 22, 2021

South Tangipahoa Parish Port Commission
Summary of Auditor's Results and Schedule of Findings
For the Year Ended December 31, 2020

A. Summary of Auditor's Results

a. Financial Statements

Type of auditors' report issued: Unmodified

b. Internal control over financial reporting:

Material weaknesses identified _____ yes ✓ no

Significant deficiencies identified not
considered to be material weaknesses _____ yes ✓ none noted

c. Noncompliance material to financial
statements noted

_____ yes ✓ no

B. Findings in Accordance with *Government Auditing Standards*

None noted.

South Tangipahoa Parish Port Commission
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2020

A. Findings in Accordance with *Government Auditing Standards*

None noted.