

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

Financial Statements
For the Year Ended December 31, 2020

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

INDEX

	<u>Statement</u>	
Independent Auditor's Report		1-3
REQUIRED SUPPLEMENTARY INFORMATION PART A		
Management's Discussion and Analysis		4-8
BASIC FINANCIAL STATEMENTS		
Proprietary Fund Type – Enterprise Fund		
Statement of Net Position	A	9
Statement of Revenues, Expenses, and Changes in Net Position	B	10
Statement of Cash Flows	C	11
Notes to the Financial Statements		12-28
REQUIRED SUPPLEMENTARY INFORMATION PART B		
	<u>Schedule</u>	
Schedule of Employer's Share of Net Pension Liability	I	30
Schedule of Employer Contributions	II	30
SUPPLEMENTARY INFORMATION		
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	III	31
OTHER REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> AND BY OFFICE OF MANAGEMENT AND BUDGET <i>UNIFORM GUIDANCE</i>		
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 <i>Government Auditing Standards</i>		32-33
Schedule of Findings and Questioned Costs		34-35
Schedule of Prior Year Findings		36

INDEPENDENT AUDITOR'S REPORT

Lake Providence Port Commission
Tallulah, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Lake Providence Port Commission (Port Commission), a component unit of East Carroll Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Lake Providence Port Commission
Lake Providence, Louisiana

Opinions

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Providence Port Commission, a component unit of East Carroll Parish Police Jury, as of December 31, 2020, and the respective changes in financial position 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, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan, Schedule of Funding Progress for Other Post-Employment Benefits and the Budgetary Comparison Schedules, as listed in the table of contents, 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. I 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. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lake Providence Port Commission's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements 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 my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Lake Providence Port Commission
Lake Providence, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2021, on my consideration of the Port Commission's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port Commission's internal control over financial reporting and compliance.

David M. Hart, CPA (APAC)

West Monroe, Louisiana
April 7, 2021

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE PROVIDENCE PORT COMMISSION

Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

As management of the Lake Providence Port Commission, we offer readers of the Lake Providence Port Commission's financial statements this narrative overview and analysis of the financial activities of the Lake Providence Port Commission for the fiscal year ended December 31, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Port Commission's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Port Commission's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in his independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide financial statements. The *government-wide financial statements* are designed to provide readers with a road overview of the Lake Providence Port Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Lake Providence Port Commission's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Lake Providence Port Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

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

LAKE PROVIDENCE PORT COMMISSION

Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Proprietary funds. The Port Commission maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities. The Enterprise Fund financial statements present information on the Port Commission's general operations.

The Lake Providence Port Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Lake Providence Port Commission's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Lake Providence Port Commission exceeded liabilities by \$26,034,915. The largest portion of the Lake Providence Port Commission's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Lake Providence Port Commission to acquire capital assets from sources other than internally generated funds (i.e. debt), and 2) required depreciation on assets.

LAKE PROVIDENCE PORT COMMISSION

Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

STATEMENT OF NET POSITION

	December 31,	
	2020	2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 189,732	\$ 285,629
Receivables	186,291	243,034
Other Assets	250	250
Total Current Assets	376,273	528,913
Restricted Assets:		
Cash and Cash Equivalents	395,855	244,349
Capital Assets (Net of Accumulated Depreciation)	28,020,232	28,647,667
TOTAL ASSETS	28,792,360	29,420,929
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	230,227	60,450
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 29,022,587</u>	<u>\$ 29,481,379</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 72,176	\$ 7,670
Payroll Payable	17,694	17,645
Payroll Taxes Payable	5,169	3,664
Accrued Interest Payable	33,141	39,235
Net Pension Liability	837,240	634,872
Current Portion of Long-Term Debt	385,000	360,000
Total Liabilities	1,350,420	1,063,086
Long-Term Liabilities		
Taxable Revenue Bonds	395,000	515,000
Certificates of Indebtedness	1,190,000	1,455,000
TOTAL LIABILITIES	2,935,420	3,033,086
DEFERRED INFLOWS OF RESOURCES		
Pension Related	52,251	21,082
NET POSITION		
Invested in Capital Assets, net of related debt	26,050,232	26,317,667
Reserved	395,855	244,349
Unrestricted	(411,172)	(134,805)
Total Net Position	26,034,915	26,427,211
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 29,022,586</u>	<u>\$ 29,481,379</u>

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

STATEMENT OF ACTIVITIES

	December 31,	
	2020	2019
OPERATING REVENUES		
Use of Money and Property - Leases	\$ 862,365	\$ 918,893
OPERATING EXPENSES		
Salaries & Fringe Benefits	347,786	278,120
Professional Services	202,878	52,403
Advertising	634	900
Utilities	6,591	6,613
Telephone	5,653	4,799
Insurance	3,362	4,191
Materials & Supplies	4,920	4,510
Travel	10,202	14,839
Dues & Subscriptions	7,225	8,861
Repairs & Maintenance	17,736	23,249
Depreciation	627,435	672,436
Other Operating Expenses	7,198	7,871
Total Operating Expenses	1,241,620	1,078,792
OPERATING INCOME	(379,255)	(159,899)
NON-OPERATING REVENUES (EXPENSES)		
Ad Valorem Taxes	160,648	161,877
State Revenue Sharing	2,952	3,129
Interest Income	3,599	4,821
Interest Expense	(111,605)	(129,227)
Other Non-Operating Income	576	661
Other Non-Operating Expenses	(69,211)	(13,122)
Total General Revenues	(13,041)	28,139
CHANGE IN NET POSITION	(392,296)	(131,760)
NET POSITION - BEGINNING OF THE YEAR	26,427,211	26,558,971
NET POSITION - END OF THE YEAR	<u>\$ 26,034,915</u>	<u>\$ 26,427,211</u>

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Capital Asset and Debt Administration

Capital assets. The Lake Providence Port Commission's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$28,020,232 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions in capital assets for the year.

Long-term debt. The Port Commission issued Taxable Revenue Bonds in 2014 for the purpose of repairing, rehabilitating or extending the rail lines owned by the Port. At December 31, 2020 the amount of outstanding debt was \$515,000. During 2020, the Port Commission made principal payments of \$110,000 on these bonds.

The Port Commission issued Certificates of Indebtedness in 2011 for the purpose of financing the costs of the acquisition, construction, and equipping of general capital improvements at the Port. At December 31, 2020, there was an outstanding debt amount of \$1,455,000 for these certificates. During 2020, the Port Commission made principal payments of \$250,000 on these certificates.

At the end of the fiscal year, Lake Providence Port Commission had a net pension liability of \$837,240.

Requests for Information

This financial report is designed to provide a general overview of the Lake Providence Port Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lake Providence Port Commission, 409 Port Road, Lake Providence, LA 71254.

BASIC FINANCIAL STATEMENTS

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2020

Assets

Current Assets:	
Cash	\$ 189,732
Receivables	186,291
Other Assets	250
Total Current Assets	<u>376,273</u>
Restricted Assets:	
Cash and Cash Equivalents	395,855
Capital Assets:	
Depreciable	<u>28,020,232</u>
Total Assets	<u>28,792,360</u>

Deferred Outflows of Resources

Resources Related to Pensions	230,227
-------------------------------	---------

Liabilities

Current Liabilities:	
Accounts Payable	72,176
Payroll Payable	17,694
Payroll Taxes Payable	5,169
Accrued Interest Payable	33,141
Net Pension Liability	<u>837,240</u>
	965,420
Current Portion of Long-Term Debt:	
Taxable Revenue Bonds	120,000
Certificates of Indebtedness	<u>265,000</u>
Total Current Liabilities	1,350,420
Long-Term Liabilities:	
Taxable Revenue Bonds	395,000
Certificates of Indebtedness	<u>1,190,000</u>
Total Liabilities	2,935,420

Deferred Inflows of Resources

Resources Related to Pensions	52,251
-------------------------------	--------

Net Position

Net Investment in Capital Assets	26,050,232
Net Position - Restricted	395,855
Net Position - Unrestricted	<u>(411,172)</u>
Total Net Position	<u>\$ 26,034,915</u>

The accompanying notes are an integral part of this financial statement.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

Operating Revenues

Use of Money and Property	\$ 862,365
---------------------------	------------

Operating Expenses

Salaries and Fringe Benefits	347,786
Professional Services	202,878
Advertising	634
Utilities	6,591
Telephone	5,653
Insurance	3,362
Materials and Supplies	4,920
Travel	10,202
Dues and Subscriptions	7,225
Repairs and Maintenance	17,736
Depreciation	627,435
Other Operating Expenses	7,198
Total Operating Expenses	<u>1,241,620</u>

<u>Operating Income (Loss)</u>	(379,255)
--------------------------------	-----------

Non-Operating Revenues (Expenses)

Ad Valorem Taxes	160,648
State Revenue Sharing	2,952
Interest Income	3,599
Interest Expense	(111,605)
Other Non-Operating Income	576
Other Non-Operating Expenses	(69,211)
Total Non-Operating Revenues (Expenses)	<u>(13,041)</u>

<u>Net Income (Loss)</u>	(392,296)
--------------------------	-----------

<u>Net Position at Beginning of the Year</u>	<u>26,427,211</u>
--	-------------------

<u>Net Position at End of the Year</u>	<u>\$ 26,034,915</u>
--	----------------------

The accompanying notes are an integral part of this financial statement.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received From Customers	\$ 1,013,083
Cash Paid to Suppliers	(138,133)
Cash Paid to Employees	(351,335)
Interest Paid	(111,605)
	<hr/>
Net Cash Provided by Operating Activities	412,010

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

	<hr/> -
Net Cash Used for Capital Financing Activities	-

CASH FLOWS FROM INVESTING ACTIVITIES

Principle Paid on Long-Term Debt	(360,000)
Interest on Deposits	3,599
	<hr/>
Net Cash Provided by Investing Activities	(356,401)
NET DECREASE IN CASH	<hr/> 55,609
CASH AT BEGINNING OF YEAR	<hr/> 529,978
CASH AT END OF YEAR	<hr/> <u>\$ 585,587</u>

RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE BALANCE SHEET THAT SUM TO THE TOTAL OF THE SAME SUCH AMOUNTS IN THE STATEMENTS OF CASH FLOWS:

Cash and Cash Equivalents	\$ 189,732
Restricted Cash - Debt Service Reserve	395,855
<u>Total Cash and Restricted Cash</u>	<hr/> <u>\$ 585,587</u>

The accompanying notes are an integral part of this financial statement.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ (392,296)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	627,435
GASB 68 Pension Expense	63,760
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables	53,145
Increase (Decrease) in Accounts Payable	64,506
Increase (Decrease) in Payroll Payable	49
Increase (Decrease) in Payroll Taxes Payable	1,505
Increase (Decrease) in Accrued Interest	(6,094)
	<hr/>
Total Adjustments	804,306
	<hr/>
Net Cash Provided by Operating Activities	\$ 412,010
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INTRODUCTION

The Lake Providence Port Commission (Port Commission) was created by Act 450 of the 1958 Session of the Louisiana Legislature as the governing authority of the Lake Providence Parish Port, Harbor, and Terminal District. The board of commissioners consist of seven members who serve four-year staggered terms; four appointed by the East Carroll Parish Police Jury, two by the Town of Lake Providence, and one selected by the six appointed members. Commissioners serve without compensation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Lake Providence Port Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the East Carroll Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

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

Because the police jury appoints the Port Commission's governing body, the Port Commission was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT WIDE STATEMENTS

The Port Commission is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Port Commission.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The Port Commission first uses restricted resources to finance qualifying activities.

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB No.33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from parties outside the Port Commission's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Port Commission's general revenues.

Expenses – The Port Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Port Commission are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrated legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the Port Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types”. Governmental funds are used to account for a government’s *general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees.* Fiduciary funds are used to account for assets held for others. Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures. General operating expenses are paid from this fund.

E. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Port Commission considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Port Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Port Commission’s investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Port Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

I. ANNUAL AND SICK LEAVE

The Director of the Port Commission earns from 14 to 24 days of vacation and sick leave each year, depending on length of service.

J. RISK MANAGEMENT

The Port Commission is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Port Commission maintains a commercial insurance policy covering property, general liability, employee fidelity and worker's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

K. PENSION PLANS

The Port Commission is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. 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 each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

L. CONTRIBUTED CAPITAL

Grants received by the Port Commission that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either 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.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Port Commission has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Port Commission has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

For purposes 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 retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

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.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The Port Commission's policy does not address interest rate risk.

Credit Risk: The Port Commission's investments are in Certificates of Deposits which do not have credit ratings; however, the Port Commission's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the Port Commission's carrying amount of deposits was \$585,587 and the bank balance was \$606,624, which includes \$22,628 in certificate of deposits classified as investments.

Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Port Commission's name in the amount of \$458,132. The Port Commission's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Port Commission that the fiscal agent has failed to pay deposited funds upon demand.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 – ACCOUNTS RECEIVABLE

The General Fund receivables of \$243,034 at December 31, 2019, are as follows:

Taxes – Ad Valorem	\$ 160,839
Leases	22,500
State Revenue Sharing	<u>2,952</u>
Total	<u>\$ 186,291</u>

NOTE 4 – LEVIED TAXES

The ad valorem tax millage levied by the Port Commission was 3.26 mills for the year ended December 31, 2020. The authorized millage for the year ended December 31, 19as 3.32 mills. The difference between authorized and levied millages is the result of reassessments of taxable property withing the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2020 assessed valuation (amounts expressed in thousands):

	2020 Assessed Value <u>Valuation</u>	Percent of Total
Myriant Lake Providence, Inc.	\$ 4,293	7.90%
Trunkline Gas Company	4,764	8.77%
Tennessee Gas Pipeline Company	2,959	5.44%
Columbia Gulf Transmission Co.	2,128	3.92%
Consolidated Grain & Barge	2,417	4.45%
Southern Natural Gas Company	1,784	3.28%
Agspring Mississippi Region, LLC	1,057	1.94%
Nutrien AF Solutions, Inc.	1,522	2.80%
Terral Riverservice, Inc.	1,243	2.29%
Entergy Louisiana, Inc.	<u>1,167</u>	<u>2.15%</u>
Total	<u>\$ 23,334</u>	<u>42.94%</u>

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020 is as follows:

	<u>Balance at</u> <u>December 31, 2019</u>	<u>Additions</u>	<u>Balance at</u> <u>Deletions</u>	<u>December 31, 2020</u>
Land	\$ 1,003,498	\$ -	\$ -	\$ 1,003,498
Construction in Progress	-	-	-	-
Buildings	2,930,797	-	-	2,930,797
Improvements	33,813,086	-	-	33,813,086
Heavy Equipment	1,161,622	-	-	1,161,622
Office Equipment	<u>33,395</u>	<u>-</u>	<u>-</u>	<u>33,395</u>
Total	38,942,398	-	-	38,942,398
Less Accumulated Depreciation	(10,294,731)	(627,435)	-	(10,922,166)
Net Capital Assets	<u>\$28,647,667</u>	<u>\$(627,435)</u>	<u>\$ -</u>	<u>\$28,020,232</u>

Depreciation expense was \$627,435 in 2020.

NOTE 6 – PENSION PLAN

Retirement Systems

Louisiana State Employees' Retirement System (LASERS)

Pensions

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

Plan Description

Employees of Lake Providence 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.

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.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – PENSION PLAN (CONTINUED)

1. Retirement

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

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

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – PENSION PLAN (CONTINUED)

Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

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

2. Deferred Retirement Benefits

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

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

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

3. Disability Benefits

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

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

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – PENSION PLAN (CONTINUED)

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.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

4. Survivor's Benefits

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

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 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.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – PENSION PLAN (CONTINUED)

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

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2018 for the various plans follow:

Plan	Plan Status	Employer Contribution Rate
Regular Employees hired before 7/01/06	Closed	40.10%
Regular Employees hired on or after 7/01/06	Closed	40.10%
Regular Employees hired on or after 1/01/11	Closed	40.10%
Regular Employees hired on or after 7/1/15	Open	40.10%

The Lake Providence Port Commission's contractually required composite contribution rate for the year ended December 31, 2020 was 40.70% of annual payroll (January-June) and 40.10% of annual payroll (July-December), 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 \$80,150 for the year ended December 31, 2020.

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

At December 31, 2020, the Employer reported a liability of \$837,240 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, 2019, the Agency's proportion was 0.010120%, which was an increase of 0.001360% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2019, the Lake Providence Port Commission recognized pension expense of \$107,875 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contribution, which was (\$1,542). Total pension expense for the Lake Providence Port Commission for the year ended December 31, 2020 was \$106,333.

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

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 – PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	(8,041)
Changes in assumption	2,679	-
Net difference between projected and actual earnings on pension plan investments	122,388	-
Changes in employer's portion of beginning net pension liability	62,589	-
Differences between employer contributions and proportionate share of employer contributions	-	60,292
Subsequent measurement contributions	42,572	-
Total	230,228	52,251

The \$42,572 reported as deferred outflows of resources related to pensions resulting from the Lake Providence Port Commission contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2021	21,806
2022	47,454
2023	37,821
2024	28,323

Actuarial Assumptions

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.55%, per annum, net of investment expenses
Inflation rate	2.3%, per annum.
Mortality rates	Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.						
Expected remaining service lives	2 years						
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.						
Salary increases	<p>Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:</p> <table><tr><td><u>Member Type</u></td><td><u>Lower Range</u></td><td><u>Upper Range</u></td></tr><tr><td>Regular</td><td>3.0%</td><td>12.8%</td></tr></table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.0%	12.8%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>					
Regular	3.0%	12.8%					
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.						

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates 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 of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.59%
Domestic equity	4.79%
International equity	5.83%
Domestic fixed income	1.76%
International fixed income	3.98%
Alternative investments	6.69%
Risk Parity	4.20%
Totals	5.81%

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 ~ PENSION PLAN (CONTINUED)

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 rate and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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 payment to determine the total pension liability.

Sensitivity of the Lake Providence Port Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Lake Providence Port Commission's proportionate share of the net pension liability calculated using the discount rate of 7.55%, as well as what the Commission'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	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$1,028,837	\$837,240	\$674,648

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

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

NOTE 7 ~ LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2020:

	Certificates of Indebtedness	Revenue Bonds	Total
Long-term debt payable at January 1, 2020	\$ 1,705,000	\$ 625,000	\$ 2,330,000
Additions	-	-	-
Reductions	(250,000)	(110,000)	(360,000)
Long-term debt payable at December 31, 2020	\$ 1,455,000	\$ 515,000	\$ 1,970,000

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Long-term debt payable at December 31, 2020 is comprised of the following individual issues:

\$1,100,000 – Taxable Revenue Bonds issued April 29, 2014, are due in annual installments from \$85,000 to \$140,000 through December 1, 2024, with interest at 5.75 per cent per annum.	\$ 515,000
\$2,500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from \$160,000 to \$265,000 through September 1, 2025, with interest at 4.59 per cent per annum.	1,205,000
\$500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from \$30,000 to \$55,000 through September 1, 2025, with interest at 5.80 per cent per annum.	<u>250,000</u>
TOTAL	<u>\$ 1,970,000</u>

The annual requirements to amortize all outstanding debt at December 31, 2020, including interest of \$409,826 is as follows:

<u>Year</u>	<u>Series 2011A</u>	<u>Series 2011B</u>	<u>Series 2014</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 275,310	\$ 59,500	\$ 149,613	(\$ 99,423)	\$ 385,000
2022	275,212	56,890	147,712	(79,814)	400,000
2023	274,655	59,280	145,525	(59,460)	420,000
2024	284,638	61,380	148,050	(38,069)	456,000
2025	<u>277,164</u>	<u>58,190</u>	<u>-</u>	<u>(15,354)</u>	<u>320,000</u>
Total	<u>\$1,375,979</u>	<u>\$ 295,240</u>	<u>\$ 590,900</u>	<u>(\$ 292,119)</u>	<u>\$1,970,000</u>

NOTE 8 – PORT LEASE RENTALS (AS LESSOR)

The Port Commission leases sites situated on the Mississippi River to businesses operating primarily in the agriculture industry. The number of leases as of December 31, 2020 was 11. The Commission received 84% of its revenues from lease income. Based on existing leases at December 31, 2020, minimum lease rentals on non-cancelable leases to be received over the next five years are as follows:

<u>December 31,</u>	<u>Amount</u>
2021	\$ 779,322
2022	747,322
2023	520,000
2024	520,000
2025	500,000
Thereafter	<u>8,000,000</u>
Total	<u>\$11,066,644</u>

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 – LITIGATION AND CLAIMS

The Lake Providence Port Commission is not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 7, 2021 and except as noted below, no significant events have occurred for disclosure.

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Port Commission and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

Schedule I

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.005120%	\$ 320,336	\$102,842	311%	65.00%
2015	0.829000%	\$ 563,981	\$111,300	507%	62.70%
2016	0.009270%	\$ 728,010	\$230,615	316%	57.70%
2017	0.009350%	\$ 658,060	\$174,300	378%	62.50%
2018	0.009010%	\$ 614,271	\$174,300	352%	64.30%
2019	0.008760%	\$ 634,872	\$158,550	400%	62.90%
2020	0.010120%	\$ 837,240	\$198,494	422%	58.00%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule II

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2014	\$ 29,283	\$ 29,283	\$ -	\$ 102,842	26.30%
2015	\$ 37,139	\$ 37,139	\$ -	\$ 111,300	33.40%
2016	\$ 88,219	\$ 88,219	\$ -	\$ 230,615	38.30%
2017	\$ 62,399	\$ 62,399	\$ -	\$ 174,300	35.80%
2018	\$ 66,060	\$ 66,060	\$ -	\$ 174,300	37.90%
2019	\$ 66,060	\$ 66,060	\$ -	\$ 174,300	37.90%
2020	\$ 42,572	\$ 42,572	\$ -	\$ 198,494	21.40%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

SUPPLEMENTARY INFORMATION

Schedule III

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head: William Gilfoil

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 144,328
Benefits – Insurance	17,957
Benefits – Retirement	58,299
Travel	6,794
Cellphone	1,972

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE

**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***

Lake Providence Port Commission
Lake Providence, Louisiana

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Providence Port Commission (Port Commission), a component unit of East Carroll Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Port Commission's basic financial statements, and have issued our report thereon dated April 7, 2021.

Internal Control Over Financial Reporting

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

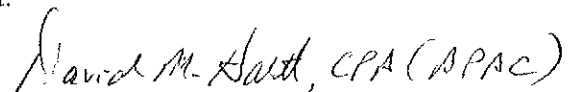
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Port Commission's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Heath, CPA (APAC)

West Monroe, Louisiana
April 7, 2021

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Lake Providence Port Commission
Lake Providence, Louisiana

I have audited the financial statements of Lake Providence Port Commission, a component unit of the East Carroll Parish Police Jury as of and for the year ended December 31, 2020, and have issued my report thereon dated April 7, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Material Weakness Identified ___ yes ___ no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___

Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with the Uniform Guidance,
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.