PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Plaquemines Port, Harbor, & Terminal District
Belle Chasse, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Plaquemines Port, Harbor & Terminal District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Plaquemines Port, Harbor & Terminal District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Plaquemines Port, Harbor & Terminal District, as of December 31, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plaquemines Port, Harbor & Terminal District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plaquemines Port, Harbor & Terminal District's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 24 to the basic financial statements, the Government has adopted the provisions of GASB statement No. 87, *Leases* and a prior year restatement. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis Schedule of Employer's Proportionate Share of Net Pension Liability and Schedule of Employer's Contributions, Schedule of Change in Net OPEB Liability and Related Ratios on pages 5 - 12 and 51 - 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Port, Harbor & Terminal District's basic financial statements. The accompanying, the Schedule of Employer's Contributions, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the Plaquemines Port, Harbor & Terminal District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plaquemines Port, Harbor & Terminal District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plaquemines Port, Harbor & Terminal District's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 29, 2023

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

The Plaquemines Port Harbor & Terminal District's (PPHTD) discussion and analysis provides an overview of PPHTD's financial activities for the December 31, 2022, fiscal year. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the financial statements and the accompanying notes to those financial statements in this report. It is essential to highlight that its tariffs and leases generate 100 percent of PPHTD's operating and non-operating revenues, and it does not receive any funds from the Plaquemines Parish Government tax base.

Financial Highlights

- On Ordinance December 9, 2021, the Plaquemines Port Commission passed ordinance number 21-116, which authorized the Executive Director to enter into a Cooperative Endeavor Agreement with the Plaquemines Parish Government for the transfer of certain rights, obligations, liabilities, and assets related to Ferry Services and establishing a Ferry Department in the Plaquemines Port Harbor & Terminal District . This transfer became effective on January 1, 2022. For the year 2022, this transfer created a significant impact on the financial statement balances. Increases in capital assets, deferred inflows and outflows of pensions, post-employment benefits, gain on transfer of assets, ferry toll revenue, and depreciation expense were all increased primarily due to this transfer.

- PPHTD's assets and deferred outflows of resources exceeded its liabilities and deferred inflows (net position) by $116,780,763 as of December 31, 2022.

- PPHTD's net position increased by $53,003,118 for the year ended December 31, 2022 due to revenues exceeding expenses by $46,108,928 and a restatement of net position of $6,897,190

- PPHTD's beginning-of-year net position was restated by $6,897,190 due to the new GASB 87 standard concerning leases.

- PPHTD's total assets increased by $1,740,124,559. This increase in assets is primarily due to:

    - An increase in lease receivables of $1,712,258,729 due to the new GASB 87 Standard requiring the lessor to recognize a lease receivable and deferred inflow of resources for the leases. The lease receivables are measured at the present value of lease payments expected to be received during the lease term.
    - The increase in cash of $6,101,223 is primarily due to increased cash collected from lease agreements, tariff fees, and ferry tolls.
    - An increase in grant receivables of $241,971 compared to the prior year.
    - An increase in Capital Assets of $17,652,478 primarily due to the acquisition of the Ferry Department assets.
    - An increase of $2,500,000 in Rights Fee Receivable – Intellectual Property (IP) pursuant to the agreement signed with Sustainability Partners in 2021.

- PPHTD's total liabilities increased by $4,545,466 or 109%, primarily due to increased accounts payable, accrued expenses, compensated absences, and other post-employment benefits liability.

Financial Highlights (continued)

- During the year, PPHTD's total operating revenue increased $705,650 or 13%, to $5,976,524 from the prior year, while operating expenses increased $2,848,189 or 32.0% to $11,760,440. PPHTD had a loss from operations of $5,783,916, an increase of 59% from the prior year.
    - PPHTD's interagency fees as charged by Plaquemines Parish Government and budgeted by the Board of Commissioners decreased by $1,306,868 from prior year. This decrease is primarily due to PPHTD acquiring ferry operations and maintenance cost from Plaquemines Parish Government in 2022.
    - During the fiscal year, PPHTD's depreciation expense increased 96% from the prior year due to PPHTD acquiring ferry operations from Plaquemines Parish Government in 2022.
    - PPHTD had a 49% increase in salaries and related expenses primarily due to PPHTD acquiring ferry operations from Plaquemines Parish Government in 2022.

Overview of the Required Financial Statements

This discussion and analysis serve as a basic introduction into PPHTD's financial statements. PPHTD's financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, the Statement of Cash Flows, and the accompanying Notes to the Financial Statements.

The Statement of Net Position includes all PPHTD's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to PPHTD's creditors (liabilities). It also provides the basis for computing the rate of return, evaluating the capital structure of PPHTD, and assessing the liquidity and financial flexibility of PPHTD. Increases or decreases in PPHTD's net position are one indicator of whether its financial health is improving or deteriorating.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Change in Net Position. This statement measures changes in PPHTD's operations over the past year. It can be used to determine whether PPHTD has recovered all its costs through its service revenue and other revenue sources.

The primary purpose of the Statement of Cash Flows is to provide information about PPHTD's cash from operations, investing, and financing and to provide answers to questions such as where cash comes from, the use of the cash and what was the change in cash balances during the reporting period.

The accompanying notes to the financial statements provide additional information essential to fully understanding the data provided in the financial statements.

Financial Analysis of PPHTD

The Condensed Statements of Net Position and the Condensed Statements of Revenues, Expenses, and Changes in Net Position report information about PPHTD's activities. These two statements report PPHTD's net position and any PPHTD changes. As noted earlier, increases or decreases in PPHTD's net position indicate whether its financial health is improving or deteriorating.

Net Position

PPHTD's Condensed Statements of Net Position can be seen in Table 1. As noted earlier, the net position may serve over time as a helpful indicator of PPHTD's financial position.

- Total assets increased by $1,740,124,559, total liabilities increased by $4,545.465, total deferred outflows of resources increased by $4,045,968 and total deferred inflows of resources increased by $1,686,621,944. Attributions of these changes were discussed in the financial highlights noted above.

Financial Analysis of PPHTD (continued)

Table 1
Plaquemines Port, Harbor & Terminal District
Condensed Statements of Net Position
As of December 31, 2022 and 2021

	2022	2021	Dollar Change	Percent Change
Assets				
Total current assets	$ 27,120,879	$ 20,810,970	$ 6,309,909	30.3%
Capital assets - net	75,408,613	57,756,135	17,652,478	30.6%
Other noncurrent assets	1,720,049,886	3,887,714	1,716,162,172	44143.2%
Total assets	1,822,579,378	82,454,819	1,740,124,559	2110.4%
Deferred Outflows of Resources				
Deferred outflow pension	668,924	706,195	(37,271)	-5.3%
Deferred outflow OPEB	4,127,576	44,337	4,083,239	9209.6%
Total deferred outflows of resources	4,796,500	750,532	4,045,968	539.1%
Liabilities				
Current liabilities	1,907,133	1,169,415	737,718	63.1%
Non-current liabilities	6,799,937	2,992,190	3,807,747	127.3%
Total liabilities	8,707,070	4,161,605	4,545,465	109.2%
Deferred Inflows of Resources				
Unearned dredging revenue	3,094,019	3,393,432	(299,413)	-8.8%
Unearned ground lease revenue	636,214	5,971,314	(5,335,100)	-89.3%
Deferred inflow - Rights Fee IP	5,613,542	3,236,458	2,377,084	73.4%
Deferred inflow pension	1,774,178	1,320,746	453,432	34.3%
Deferred inflow OPEB	2,441,047	1,344,151	1,096,896	81.6%
Deferred inflow-lease revenue	1,688,329,045	-	1,688,329,045	168820460200.0%
Total deferred inflows of resources	1,701,888,045	15,266,101	1,686,621,944	11048.2%
Net Position				
Invested in capital assets, net of related debt	75,408,613	57,756,135	17,652,478	30.6%
Restricted for land fund	2,555,431	3,496,852	(941,421)	-26.9%
Restricted for relocation project	183,798	294,281	(110,483)	-37.5%
Restricted for maintenance	64,134	64,134	-	0.0%
Restricted for Water Booster Station Proj	331,176	-	331,176	33117500.0%
Unrestricted	38,237,611	2,166,243	36,071,368	1665.2%
Total Net Position	$ 116,780,763	$ 63,777,645	$ 53,003,118	83.1%

Financial Analysis of PPHTD (continued)

Summary of Revenue and Expenses

PPHTD's net position increased by $53,003,118 for the year ended December 31, 2022 due to revenues exceeding expenses by $46,108,928 and a restatement of net position of $6,897,190 The elements of the increase can be seen in Table 2.

Table 2
Plaquemines Port, Harbor & Terminal District
Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021	Dollar Change	Percent Change
Operating Revenue				
Charges for services, net	$ 5,976,524	$ 5,270,874	$ 705,650	13.4%
Total operating revenue	5,976,524	5,270,874	705,650	13.4%
Operating Expenses				
Salaries and related expenses	4,970,781	3,342,989	1,627,792	48.7%
Supplies, contract svcs, materials and other expenses	3,961,041	2,217,751	1,743,290	78.6%
Interagency service fee	1,229,781	2,536,649	(1,306,868)	-51.5%
Depreciation & amortization	1,598,837	814,862	783,975	96.2%
Total operating expenses	11,760,440	8,912,251	2,848,189	32.0%
Operating Income (Loss)	(5,783,916)	(3,641,377)	(2,142,539)	58.8%
Nonoperating Revenue (Expense)				
Ad valorem tax revenue, net	1,890	(40,480)	42,370	-104.7%
Lease revenue	32,092,196	4,434,370	27,657,826	623.7%
Usage right expense	(519,244)	(54,345)	(464,899)	855.5%
Rights fee-IP revenue	122,917	13,542	109,375	807.7%
Grant revenue	626,615	278,119	348,496	125.3%
Interest income	2,263,616	2,754	2,260,862	82093.8%
Interest Expenses-Leases	(6,176)	-	(6,176)	-617700.0%
Other income	9,302	9,920	(618)	-6.2%
Gain on acquisition of assets	17,265,665	3,202	17,262,463	539115.0%
Inter-governmental revenue, pension	33,063	30,577	2,486	8.1%
Total nonoperating revenue (expense)	51,889,844	4,677,659	47,212,185	1009.3%
Change in net position	46,105,928	1,036,282	45,069,646	4349.2%
Net position - beginning of year (as restated)	70,674,835	62,741,363	7,933,472	12.6%
Net position - end of year	$ 116,780,763	$ 63,777,645	$ 53,003,118	83.1%

Financial Analysis of PPHTD (continued)

As seen in Table 2, PPHTD's Condensed Statements of Revenues, Expenses, and Changes in Net Position:

- Operating revenue increased by $705,650 or 13% due to an increase in tariff fee activity at the facilities located within PPHTD.
- The increase in operating expenses is due primarily to the acquisition of the ferry operations and maintenance from the Plaquemines Parish Government.

Budget

Annually PPHTD adopts an Operating Budget for best-practice internal controls. PPHTD is not required to report a budget according to the Local Government Budget Act.

Source of Revenue

Operating

All vessels engaged in foreign or domestic coastwise, inter-coastal, or intra-coastal trade and inland watercraft engaged in interstate or intrastate commerce shall be assessed fees as provided in the Plaquemines Port, Harbor, and Terminal District tariff. The tariff assists in defraying necessary, direct and indirect, port, harbor, and marine services to port and harbor users and other persons located in proximity to and affected by such activities due to the unique geographic and environmental characteristics of the Plaquemines Port Harbor and Terminal District.

Such fees and charges are to be used for the expenses of the administration and maintenance of the port and harbor including: Administering, regulating, and monitoring of the shipping traffic and handling of cargo in the harbor; supervising shipping of the port with the view of preventing collisions and fires; policing the river and riverfront and all navigable waterways, as well as the banks, battures, and contiguous and adjacent areas affected by port, harbor, terminal, water, and marine activities; providing emergency services to vessels in distress, including extinguishing fires in vessels and equipment and in cargo handled in and upon the areas of the Port's contiguous waterways and located in wharves and facilities upon the banks, battures, contiguous waterways and adjacent areas in Port administered facilities; without additional charge (except for the cost of supplies, materials, and equipment expended by the Plaquemines Port Harbor and Terminal District in the performance of such services).

Source of Revenue

Non-Operating

In 2022 PPHTD's sources of non-operating revenue consisted of multiple sources.

- PPHTD receives PILOT revenue from a lease agreement with Plaquemines Liquid Terminals for leasing property in Point Celeste, Louisiana. PPHTD plans to distribute this revenue upon legislation approval by the Port Commissioners to other tax agencies. PPHTD reports a liability shown on the statement of net position of $555,255 related to the PILOT revenue collected. This lease ended in February 2023.
- PPHTD entered a Right-of-Way lease with High Point Gas Transmission, LLC in 2016 for a pipeline right-of-way on Port property located in Point Celeste, Louisiana.
- PPHTD receives monthly lease payments from Marine Spill Response Corporation for the purpose of leasing warehouse, dock facilities and a parking area located at Fort Jackson, Louisiana.
- PPHTD received lease income from an agreement with Venture Global Plaquemines LNG, LLC for leasing property located in Point Celeste, Louisiana.
- PPHTD was awarded 2018-2022 federal port security grants for numerous Port Security projects.

Capital Assets

During the year, PPHTD had additions of $17,718,739 in capital assets; see table below. A significant part of this total was due to the acquisition of ferry assets as part of the transfer of ferry services from Plaquemines Parish Government. In 2022, PPHTD also completed land acquisitions worth $1,155,263.

	31-Dec-21	Additions	Deletions	31-Dec-22
Capital assets, not depreciated				
Land	$ 49,000,151	$ 1,155,263	$ -	$ 50,155,414
Construction in progress	1,060,497	2,601,383	(66,261)	3,595,619
Total Capital assets, not depreciated	50,060,648	3,756,646	(66,261)	53,751,033
Capital assets, being depreciated				
Buildings	5,055,556	392,000	-	5,447,556
Land Improvements	138,138	-	-	138,138
Improvements other than buildings	769,083	15,375,717	-	16,144,800
Machinery and Equipment	13,328,401	9,138,344	-	22,466,745
Less Accumulated Depreciation	(11,595,691)	(10,943,969)	-	(22,539,660)
Total Capital assets, being depreciated	7,695,487	13,962,093	-	21,657,580
Capital Assets, net	$ 57,756,135	$17,718,739	$ (66,261)	$ 75,408,613

Economic Factors and Next Year's Budget and Rates

The PPHTD considered the following factors and indicators when setting next year's budget, rates, and fees. These factors include:

- Venture Global Plaquemines LNG, LLC entered a ground lease with PPHTD in July 2021 for 632 acre parcel in addition to a ground lease for a laydown area of 80 acres.

- On January 13, 2022, PPHTD entered in a short-term lease agreement with a separate option for a long-term lease agreement with Plaquemines Land Ventures, LLC for approximately 523 acres of Port property.

- Grants—PPHTD has been awarded four port security grants for various port security projects to begin in 2022 in the amount of $455,781.

- Port Development—PPHTD will continue to work towards its strategic goal to becoming a landlord port by acquiring real estate.

In addition to the above factors and indicators, the following factors and indicators are a priority for the 2023 Mid-Year budget review and setting 2024's budget, rates, and fees. These factors include:

- Ferries – cost-cutting and risk mitigation initiatives will be a high priority moving forward. A two Ferry system is vital to the Port's growth and the Parish's public transit system.

- People – will be a high priority to address low organizational morale that developed over the past 18 months of turmoil during the transition from the previous port executive team to the existing executive team.

- Process – A process control and improvement system will be instituted to improve overall port business control.

- Technology and Innovation – the use of technology, including high-definition cameras, GIS, and AIS leveraged with innovative practices, is under development to improve future timing and accuracy of the port's tariff billing practices and to improve safety and security with real-time visibility of all the region's critical assets.

- Master Plan – Market analysis and economic impact studies will be completed in 2023 to feed the development of a new 2024 Master Plan. This plan will replace the outdated 2010 existing Master Plan.

Contacting PPHTD's Financial Management

This financial report is designed to give our Plaquemines Parish Government, citizens, tenants, customers, and creditors a general overview of PPHTD's finances. If you have questions about this report or need additional financial information, contact Charles Tillotson, Port Executive Director, 8056 Highway 23, 3rd Floor, Belle Chasse, LA 70037.

FINANCIAL STATEMENTS

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF NET POSITION
December 31, 2022

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	17,167,577
Investments		895,286
Receivables:		
Trade receivables, net of allowance		1,645,422
Other receivables		2,612
Grant receivable		397,542
Lease receivable		15,298,514
Prepaid expenses		26,167
Restricted current assets		
Cash and cash equivalents		6,986,273
Total Current Assets		42,419,393
NON CURRENT ASSETS		
Capital assets, net of accumulated depreciation		75,408,613
Leases - Right to Use Asset		430,762
Accumulated amortization - Right to Use Asset		(272,247)
Lease Receivable		1,696,960,214
Net pension asset		1,882,643
Receivable - Rights Fee IP - concession agreement		5,750,000
Total Non Current Assets		1,780,159,985
TOTAL ASSETS		1,822,579,378
DEFERRED OUTFLOWS OF RESOURCES		
Pension		668,924
Other postemployment benefits		4,127,576
TOTAL DEFERRED OUTFLOWS OF RESOURCES		4,796,500
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		850,183
Accrued expenses		501,695
Lease liability		91,100
PILOT liability		555,255
Total Current Liabilities		1,998,233
NON CURRENT LIABILITIES		
Compensated absences		246,034
Lease Liability		85,896
Other post employment benefits payable		6,376,907
Total Non Current Liabilities		6,708,837
TOTAL LIABILITIES	$	8,707,070

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

DEFERRED INFLOWS OF RESOURCES	
Dredging revenue	$ 3,094,019
Ground lease revenue	636,214
Rights fee - IP - concession agreement	5,613,542
Pensions	1,774,178
Other post-employment benefits	2,441,047
Lease revenue	1,688,329,045
TOTAL DEFERRED INFLOWS OF RESOURCES	1,701,888,045
NET POSITION	
Invested in capital assets, net of related debt	75,408,613
Restricted for land fund	2,555,431
Restricted for relocation project	183,798
Restricted for maintenance	64,134
Restricted for Water Booster Station Project	331,176
Unrestricted	38,237,611
TOTAL NET POSITION	$ 116,780,763

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the Year Ended December 31, 2022

OPERATING REVENUES	
Charges for services, net	$ 5,976,524
TOTAL OPERATING REVENUES	5,976,524
OPERATING EXPENSES	
Advertising	16,265
Depreciation	1,598,837
Dues and subscriptions	64,876
Fuel	916,313
Insurance	779,291
Interagency service charge	1,229,781
Legal fees	126,677
Materials and supplies	199,170
Other office charges and supplies	108,092
Professional service fees	702,180
Rentals and leases	127,665
Repairs and maintenance	495,546
Salaries and related expenses	4,970,781
Technical services	277,111
Travel	40,559
Utilities and communications	107,296
TOTAL OPERATING EXPENSES	11,760,440
OPERATING LOSS	(5,783,916)
NON-OPERATING REVENUES (EXPENSES)	
Ad valorem tax revenue	1,890
PILOT revenue	135,603
PILOT revenue sharing expense	(135,603)
Lease revenue	32,092,196
Usage right expense - concession agreement	(519,244)
Rights fee-IP revenue - concession agreement	122,917
Grant revenue	626,615
Dredging revenue	299,413
Dredging expense	(299,413)
Interest income	2,263,616
Interest expense-leases	(6,176)
Other revenue	9,302
Gain on acquisition of assets	17,265,665
Inter-governmental revenue, pension	33,063
TOTAL NON-OPERATING REVENUES (EXPENSES)	51,889,844
CHANGES IN NET POSITION	46,105,928
Total net position, beginning of year (restated)	70,674,835
Total net position, end of year	$ 116,780,763

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

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	6,031,934
Cash payments to employees for employee related costs		(5,080,599)
Cash payment to suppliers for operating expenses		(4,596,834)
Net cash used by operating activities		(3,645,499)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem income		1,890
Grant income		384,644
Dredging expense		(299,413)
Lease income		11,985,311
Usage right expense - concession agreement		(519,244)
PILOT income		135,603
Intergovernmental revenue, pension		33,063
Miscellaneous		10,180
Net cash provided by non-capital financing activities		11,732,034
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets		(1,985,650)
Net cash used by capital and related financing activities		(1,985,650)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income received		15,211
Purchase of investments		(14,872)
Net cash provided by investing activities		339
Net increase in cash and cash equivalents		6,101,224
CASH AND CASH EQUIVALENTS, beginning		18,052,626
CASH AND CASH EQUIVALENTS, ending	$	24,153,850
Cash as shown on the Statement of Net Position:		
Unrestricted Cash	$	17,167,577
Restricted Cash		6,986,273
Total Cash and Cash Equivalents, end of year	$	24,153,850

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

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating Loss	$	(5,783,916)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation		1,598,837
(Increase) Decrease in Assets:		
Trade receivables		55,410
Prepaid expenses		(8,128)
Net pension asset & deferred outflows		(1,207,659)
Post employment benefits obligation & deferred outflows		(4,083,239)
Increase (Decrease) in Liabilities:		
Compensated absences		100,303
Net pension liability & deferred inflows		453,432
Post employment benefits obligation & deferred inflows		4,627,345
Accounts payable and accrued expenses		602,116
Net cash flows used by operating activities	$	(3,645,499)

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

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Plaquemines Port, Harbor & Terminal District (the "District") was officially established in 1954 as an agency of the State of Louisiana, as per Act No. 567 of the Louisiana Legislature. The District's territorial jurisdiction is coextensive with the parish of Plaquemines, Louisiana. The Plaquemines Parish Council is empowered through the 1974 Constitution of Louisiana (R.S.34:1351-1356) and the Plaquemines Parish Home Rule Charter Section 4.01, A (27): Legislative Powers, as the sole governing authority of the Plaquemines Port, Harbor & Terminal District. The Plaquemines Parish Council serves as the local government, and as the Port Board of Commissioners (the "Board"). The Board sets policies and regulates tariffs and governs the operations of the District.

Plaquemines Parish Ordinance 12-139 was enacted by Plaquemines Parish Government on July 12, 2012, which segregated the District from the Plaquemines Parish Government, specifically providing that the executive director of the District be the appointing authority under the current Civil Service rules for all positions serving the District. Ordinance 12-139 also specifically provided that the following functions be performed by the District: (1) civil service, payroll, personnel, and human resources; (2) budgeting, auditing, financial and accounting; (3) administrative and data processing; (4) procurement, purchasing and accounts payable; (5) operations, safety, public service and telecommunications; and (6) facilities and equipment management functions. While Ordinance 12-139 was written to be effective immediately, for convenience of administration, the actual transfer of employment, accounting records, etc. was done on January 1, 2013.

Prior to 2013, the District financial statements were reported as a blended component unit of the Plaquemines Parish Government on its annual financial report. The District was fiscally dependent upon the parish government. The District's financial statements were reported as a blended component unit of the Plaquemines Parish Government due to the significance of the relationship and not doing so would be misleading.

The District is responsible for maintaining the waterways of the Plaquemines Parish. The District is responsible for administering, regulating, and monitoring of the shipping traffic and handling of cargo in the harbor; supervising shipping of the port with the view of preventing collisions and fires; policing the river and riverfront and all navigable waterways, as well as the banks, battures, and contiguous and adjacent areas affected by port, harbor, terminal, water, and marine activities; and providing emergency services to vessels in distress, including extinguishing fires in vessels and equipment and in cargo handled in and upon the areas of the District's contiguous waterways and located in wharves and facilities upon the banks, battures, contiguous waterways and adjacent areas in the District's administered facilities. The district is also responsible for the operations of ferries at two locations in the parish.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Reporting Standards*, published by GASB. The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

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

- Appointing a voting majority of an organization's governing body, and the ability of the primary government to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
- Organization for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature or significance of the relationship.

Based upon the previous criteria, the District has determined it has no component units.

The Plaquemines Parish Government is considered to be a related organization to the District as the Plaquemines Parish Council makes up the members of the Board of the District.

The financial statements only include the funds of the District, the reporting entity.

B. Fund Accounting

The accounts of the District are organized and operate on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net position, revenues, and expenses.

The Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

C. 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 measurements made, regardless of the measurement focus applied.

The accrual basis of accounting, whereby revenues are recognized when they are earned, and expenses are recognized when incurred is used to account for the Enterprise Fund.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Accounting Standards

GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, incorporates the text of certain FASB, APB, and ARB pronouncements that were issued before November 30, 1989, that applied to governments. Those pronouncements had become nonauthoritative for governmental entities when the FASB established the FASB Accounting Standards Codification as the single source of authoritative, nongovernmental GAAP for nonpublic entities in September 2009. While GASB No. 62 kept the substance of that guidance, it nevertheless modified the guidance to recognize the effects of the governmental environment and the needs of governmental financial statement users.

E. Income Taxes

The District is a governmental entity under Section 517 of the Internal Revenue Code and is therefore exempt from Federal income taxes.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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. Significant estimates are depreciation expense and deferred inflows and deferred outflows relating to pension liability/asset.

G. Cash and Cash Equivalents

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less.

H. Receivables

All receivables are reported net of estimated uncollectible amounts.

I. Capital Assets

Capital assets purchased or acquired are reported at cost. Contributed assets are reported at fair market value at date received. Additions, improvements, and other capital outlays that are $5,000 or more that extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land and construction in progress, is provided on the straight-line basis over the following estimated useful lives:

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

Description	Years Depreciated	Reporting Threshold
Land	N/A	$ 1
Land improvements	20-30	25,000
Buildings	25-40	50,000
Building improvements	7-30	50,000
Infrastructure	20-50	250,000
Machinery and Equipment	5-15	5,000

J. Assets Whose Use Is Restricted

Assets whose use is limited or restricted consist of cash. These assets are amounts that can only be spent for specific purposes because of internally imposed or externally imposed conditions by grantors or creditors.

K. Operating Revenues and Expenses

The District's statement of revenues, expenses and change in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with maintaining the waterways of Plaquemines Parish – the District's principal activity. Non-exchange revenues, including taxes, grants, pilot (payment in lieu of taxes), and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide services, other than financing costs.

L. Grants

From time to time, the District receives grants from the State of Louisiana and the Federal government. Revenues from grants are recognized when all eligibility requirements, including time requirements, are met. Grants may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

M. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent an acquisition of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Restricted Resources

When the District has both restricted and unrestricted resources available to finance a particular program, it is the District 's policy to use restricted resources before unrestricted resources.

O. Net Position

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any 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 plus deferred outflows of resources less deferred inflows of resources related to those assets.

- Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted - All other net position is reported in this category.

P. Compensated Absences

Accumulated annual leave is accrued as an expense of the period in which it incurred. Employees of the District earn annual pay and sick pay based on an employee's length of employment and is earned ratably during the span of employment. Upon termination or resignation, employees are paid full value for any accrued annual leave earned.

At December 31, 2022, employees have accumulated and vested $246,034 of annual leave benefits, which is recorded as a current liability.

Q. OPEB - Other Post-Employment Benefits

GASB Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – This Statement replaces the requirements of GASB Statement No. 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. This Statement is effective for fiscal years beginning after June 15, 2017, and, as a result, was adopted during the year ended December 31, 2018. The District has recorded liabilities for postemployment benefits in the amount of $6,376,907 as of December 31, 2022.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The postemployment benefit obligation is recorded as a long-term liability and changes to the liability are recorded as other salaries and employee expense.

R. Leases

GASB Statement No. 87. *Leases* – The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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. This Statement is effective for fiscal years beginning after June 15, 2021, and, as a result, was adopted during the year ended December 31, 2022. After implementation of statement 87, the District has recorded lease assets of $430,762, lease receivables of $1,712,258,728 and a lease liability of $176,996 as of December 31, 2022.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2022, the District has cash and cash equivalents (book balances) totaling $ 24,153,850 as follows:

Unrestricted	
Demand deposits	$ 17,167,577
Total unrestricted cash	17,167,577
Restricted	
Land	2,555,431
Payment in Lieu of Taxes	555,255
Designated for Relocation Project	183,798
Designated for Land Maintenance	64,134
Designated for Water Booster Station project	331,176
Designated for Dredging Project	3,296,479
Total restricted cash	6,986,273
Total amount of Cash & Cash Equivalents	$ 24,153,850

These deposits are stated at cost, which approximates market.

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States.

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

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

Custodial credit risk is the risk that in event of a bank failure, the District's deposits may not be returned to it. Cash was adequately collateralized with state law by Federal Deposit Insurance Corporation (FDIC) coverage and by securities held. At December 31, 2022, the District had $24,181,715 in deposits (collected bank balances). These deposits are secured from risk by $500,000 of federal deposit insurance and $23,824,774 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered to be subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Supplemental cash flow disclosure:
For the year ended December 31, 2022, the District had no noncash investing and financing transactions.

NOTE 3 – INVESTMENTS

At December 31, 2022, the District's unrestricted investments in the Louisiana Asset Management Pool (LAMP) totaled $895,286. These deposits are stated at cost. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana and is governed by a board of directors comprised of representatives from various local governments and state-wide professional organizations.

Only local governments have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP is rated AAAm by Standard & Poor.

NOTE 3 – INVESTMENTS (continued)

LAMP issues a publicly available financial report that includes financial statements and required supplementary information. The financial report is designed to provide a general overview of LAMP's finances for those with an interest in LAMP's finances. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov or by contacting LAMP at 228 St. Charles Ave., Suite 1123, New Orleans, LA 70130.

Interest Rate Risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to fully recover the value of the investment. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*- An Amendment of GASB Statement No. 3 defines concentration of risk as the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 further defines an at-risk investment to be one that represents more than five percent (5%) of the market value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. At December 31, 2022, the District had no investments requiring a Concentration of Credit Risk disclosure.

NOTE 4 – PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items, totaling $26,167 primarily include membership dues in future years.

NOTE 5 – TRADE RECEIVABLE

The District's trade receivable account totaled $2,088,213 for the year ended December 31, 2022. The District's cumulative allowance for doubtful accounts was $442,791 at year end which resulted in a net trade receivable of $1,645,422 for the year ended December 31, 2022.

An allowance for uncollectible accounts is estimated and recorded based upon the District's historical experience. For the year ended December 31, 2022, the District recorded bad debt expense related to trade receivables of $71,044.

NOTE 6 - AD VALOREM TAX RECEIVABLE AND REVENUE

Ad valorem tax assessment

Per Louisiana Revised Statue 34:1356, the District acting through its governing authority, may levy annually an ad valorem tax not to exceed five mills on the dollar on the property subject to taxation situated in the district. All funds derived under this Subsection shall be used for the needs and lawful purposes of the district, including the construction of capital improvements.

In 2022, the District did not levy an ad valorem tax.

Ad valorem tax receivable

In the years 2014 and 2015, the District levied three (3.0) mills ad valorem tax. In the years 2016 and 2017, the District levied one and one-half (1.5) mills ad valorem tax. The ad valorem tax levied in previous years was dedicated to the repayment of the District's bond debt. The bond proceeds were used to purchase a 548-acre port development site.

Ad valorem tax receivables account totaled $494,294 for the year ended December 31, 2022, for the prior assessment (2014 through 2017.)

The District's cumulative allowance for uncollectible receivables was adjusted to $494,294 at year end which resulted in a net ad valorem tax receivable of $0 for the year ended December 31, 2022.

NOTE 7 – GRANT RECEIVABLE

Port Security Grant Receivable

In September 2019 the District was awarded a 2019 Port Security Grant in the amount of $618,622. The District was required to contribute a cost match in the amount of $206,207 of non-federal funds. This award was for five port projects including a drone, wireless backhaul networks, GIS acquisition and implementation, MSOC security system upgrades, and CBRNE detection equipment. Funds were available for reimbursement on May 29, 2020, for GIS acquisition, October 27, 2020, for MSOC security system upgrades and September 1, 2019, for the CBRNE detection equipment.

The District incurred GIS, MSOC and CBRNE expenses for 2022 which qualified for reimbursement. The Port received the reimbursement in February and March 2023. The amount receivable from FEMA is $397,542 at December 31, 2022. The federal award expenditures related to these grants totaled $626,615.

Hurricane Isaac Reimbursement

In 2012 the Plaquemines Parish Government filed a PW with FEMA on behalf of the District in regard to reimbursement of overtime labor due to the impact of Hurricane Isaac. This PW continues to be re-worked with FEMA. The amount receivable due from FEMA at December 31, 2022, is $109,674.

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2022, is as follows:

	12/31/2021	Additions	Deletions	12/31/2022
Capital assets, not depreciated				
Land	$ 49,000,151	$ 1,155,263	$ -	$ 50,155,414
Construction in progress	1,060,497	2,601,383	(66,261)	3,595,619
Total Capital assets, not depreciated	50,060,648	3,756,646	(66,261)	53,751,033
Capital assets, being depreciated				
Buildings	5,055,556	392,000	-	5,447,556
Land Improvements	138,138	-	-	138,138
Improvements other than buildings	769,083	15,375,717	-	16,144,800
Machinery and Equipment	13,328,401	9,138,345		22,466,746
Less Accumulated Depreciation	(11,595,691)	(10,943,969)		(22,539,660)
Total Capital assets, being depreciated	7,695,487	13,962,093	-	21,657,580
Capital Assets, net	$ 57,756,135	$ 17,718,739	$ (66,261)	$ 75,408,613

Depreciation charged for the year ended December 31, 2022, was $1,598,837. The additions to accumulated depreciation other than current year depreciation expense reflects the accumulated depreciation on the ferry assets transferred from the Plaquemines Parish Government.

Land Purchase

Throughout the year of 2022, the district adopted ordinances authorizing the Executive Director to purchase tracts of land to continue port development. The expenses related to these purchases totaled $1,155,263.

Buildings

On February 10, 2022, the District adopted Ordinance 22-5, authorizing the Executive Director to purchase property at Lot 8 Pointe Celesete Farms for the amount of $392,000.

Improvements other than buildings

On December 9, 2021, the District authorized the Executive Director to enter into a cooperative endeavor agreement relative to the transfer of ferry assets from Plaquemines Parish Government to the District. The transfer of the ferry assets included $15,348,517 of improvements in 2022. The District expended $27,200 in 2022 for improvements related to ferry operations.

Machinery and Equipment

The transfer of the ferry assets included $8,809,671 of machinery and equipment assets in 2022 and the District added $328,674 of machinery and equipment assets.

NOTE 8 – CAPITAL ASSETS (continued)

Construction in progress

The transfer of the ferry assets included $2,452,608 of construction in progress assets in 2022. The construction in progress additions also included expenses of $141,483 for the B3 Relocation Project approved in 2017. The deletions to construction in progress included the improvements to a new security barge which was completed in 2022 and added to machinery and equipment.

NOTE 9 – ACCRUED EXPENSES

Certain payments to vendors have been accrued in the account as they relate to 2022 activity. These payments will be made following the year end December 31, 2022. The amount of accrued expenses at year end December 31, 2022, was $501,695.

NOTE 10 - POST EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – The Plaquemines Port Harbor & Terminal District (the Port) provides certain continuing health care and life insurance benefits for its retired employees. The Plaquemines Port Harbor & Terminal District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Port. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the Port. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 83% of the rate is paid by the employer for the amount $10,000. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the previous amount at age 70, and additionally by 50% upon retirement if before age 70.

Employees covered by benefit terms – As of the measurement date December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	55
Total	67

NOTE 10 - POST EMPLOYMENT BENEFITS (continued)

Total OPEB Liability

The Port's total OPEB liability is $6,376,907 as of the measurement date December 31, 2022, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary increases	4.75%, including inflation
Discount rate	2.06% annually (Beginning of Year to Determine ADC) 3.72%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen model
Mortality	PubG.H-2010

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2022.

Changes in the Total OPEB Liability

Balance at December 31, 2021	$ 2,846,459
Changes for the year:	
Service cost	293,210
Interest	63,056
Differences between expected and actual experience	4,768,950
Changes in assumptions	(1,436,529)
Benefit payments and net transfers	(158,239)
Net changes	3,530,448
Balance at December 31, 2022	$ 6,376,907

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current discount rate:

	1.0% Decrease (2.72%)	Current Discount Rate (3.72%)	1.0% Increase (4.72%)
Total OPEB liability	$ 7,441,810	$ 6,376,907	$ 5,532,050

NOTE 10 - POST EMPLOYMENT BENEFITS (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	$ 5,280,437	$ 6,376,907	$ 7,768,188

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

For the year ended December 31, 2022, the Port recognized OPEB expense of $702,345. At December 31, 2022, the Port 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
Differences between expected and actual experience	$ 4,103,227	$ (1,055,084)
Changes in assumptions	24,349	(1,385,963)
Total	$ 4,127,576	$ (2,441,047)

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

Years ending December 31:

2023	$346,079
2024	$346,079
2025	$346,079
2026	$346,079
2027	$346,079
Thereafter	$(43,866)

NOTE 11 – PENSION PLAN

<u>Plan Description</u>

Employees of the Plaquemines Port Harbor & Terminal District (the "District") are provided with a pension through a cost-sharing, multiple-employer, defined benefit plan administered by the Parochial Employees' Retirement System of Louisiana (PERS). PERS is a state-wide public retirement system for the benefit of all employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system, and which elect to become members of PERS. PERS was established and provided for within LSA-RS 11:1901 through 11:2025. The plan is a qualified plan as defined by the Internal Revenue Service Code Section 401 (a), effective January 1, 1993. Membership in PERS is a condition of employment for the full-time employees of the District.

NOTE 11 – PENSION PLAN (continued)

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Employees of the District are members of Plan A.

For the year ended December 31, 2021, there were 290 contributing employers in Plan A and 50 in Plan B. Statewide retirement membership consisted of:

	Plan A	Plan B	Total
Inactive plan members or beneficiaries receiving benefits	13,643	2,367	16,010
Inactive plan members entitled to but Not yet receiving benefits	8,096	1,013	9,109
Active members	9,632	2,088	11,720
Total Participating as of the Valuation Date	31,371	5,468	36,839

PERS administers a plan to provide retirement, disability, and survivor's benefits to eligible employees and their beneficiaries as defined in the plan. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by the plan and vary depending on the member's hire date.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for the system for the fiscal year ended December 31, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana. 70809.

Eligibility Requirements

All permanent District employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

A member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:
1. Any age with thirty (30) years or more of creditable service
2. Age 55 with twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

NOTE 11 – PENSION PLAN (continued)

For employees hired after January 1, 2007:
1. Age 55 with thirty (30) years of service
2. Age 62 with ten (10) years of service
3. Age 67 with seven (7) years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statues, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three (3) percent of the member's final average compensation multiplied by his/her years of service, not to be less than fifteen (15), or three (3) percent multiplied by years of service assuming continued service to age sixty.

Deferred Retirement Option Plan (DROP)

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Parochial Employees' Retirement System of Louisiana. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three (3) years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund or roll over the fund to an Individual Retirement Account.

NOTE 11 – PENSION PLAN (continued)

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the State or PERS, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Cost of Living Adjustments

The Board of Trustees (the "Board") is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are age sixty-five (65) equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost-of-living increase of up to 2.5% for retirees 62 and older as provided in Louisiana Revised Statute 11:1937. Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

Contributions for all members are established by State statute at 9.5% of compensation for Plan A and 3.0% of compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating employer.

According to State statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2021, the actuarially determined contribution rate was 10.38% of member's compensation for Plan A and 7.07% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2021, was 12.25% for Plan A and 7.50% for Plan B.

According to State statute, PERS also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Louisiana Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities.

Administrative costs of PERS are financed through employer contributions.

NOTE 11 – PENSION PLAN (continued)

The District's employer and employee contributions to PERS for the measurement date fiscal year ended December 31, 2021, were as follows:

Source	Contribution Amount		Covered Payroll	Percent of Covered Payroll
Employee	$	246,915	2,606,547	9.5%
Employer		319,302	2,606,547	12.25%
	$	566,217		

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

On December 31, 2022, the District reported an asset of $1,882,643 for its proportionate share of the PERS Net Pension Liability/Asset (NPL/A). The NPL/A for PERS was measured as of December 31, 2021, and the total pension liability(asset) used to calculate the NPL/A was determined based on an actuarial valuation as of that date. The District's proportion of the NPL/A was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2021, the most recent measurement date, the District's proportion was 0.399675%, an increase 0.035977% from the December 31, 2020, proportion.

For the year ended December 31, 2022, the District recognized a total pension expense of $298,973. This amount was made up of the following:

Components of Pension Expense		Amount
District's pension expense per the PERS	$	(302,800)
District's amortization of actual contributions over its propottionate share of contribution		3,827
Total Pension Expense Recognized by the District	$	(298,973)

NOTE 11 – PENSION PLAN (continued)

At year end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 113,747	$ 136,448
Differences between projected and actual investment earnings	-	1,628,454
Change in assumptions	30,242	-
Change in proprotionate share of the Net Pension Liability	98,184	-
Differences between the District's contributions and its proportionate share of contributions	4,560	9,276
District's contributions subsequent to the December 31, 2021 measurement date	422,191	-
	$ 668,924	$ 1,774,178

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date in the amount of $422,191 will be recognized as a reduction of the PERS NPL/A in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended December 31,	Amount of Amortization
2022	$ (292,683)
2023	$ (633,142)
2024	$ (424,753)
2025	$ (176,867)

NOTE 11 – PENSION PLAN (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability/(asset) as of December 31, 2021, are as follows:

Description	Assumptions / Methods
Valuation Date	December 31, 2021
Acturial Cost Method	Plan A - Entry Age Normal Cost
Investment Rate of Return	Plan A - 6.40% (Net of investment expense), including inflation
Inflation Rate	Plan A - 2.30%
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates 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 rates 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 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.0% for the year ended December 31, 2021.

NOTE 11 – PENSION PLAN (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

Discount Rate

The discount rate used to measure the total pension liability/(asset) was 6.40% for Plan A and 6.50% for Plan B. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the PERS'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.

NOTE 11 – PENSION PLAN (continued)

Sensitivity of the Proportionate Share of the NPL/A to Changes in the Discount Rate

The following presents the District's proportionate share of the NPL/A using the current discount rate of 6.40%, as well as what the District's proportionate share of the NPL/A would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate.

	Changes in Discount Rate 2021		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
District's Proportionate Share of the Net Pension Liability (Asset)	$335,639	($1,882,643)	($3,740,860)

Pension Plan Fiduciary Net Position

The components of the net position liability(asset) of PERS employers as of December 31, 2021, are as follows:

	Plan A	Plan B
Total Pension Liability	$ 4,504,994,211	$ 393,510,971
Plan Fiduciary Net Position	4,976,037,622	449,392,040
Net Pension Liability (Asset)	$ (471,043,411)	$ (55,881,069)

Detailed information about PERS's fiduciary net position is available in the separately issued December 31, 2021, financial report. This report can be found on the Louisiana Legislative Auditor's website (www.lla.la.gov) in the database of reports.

Payables to the Pension Plan

At December 31, 2022, the District had $206,811 in payables to PERS for the related to the third and fourth quarter 2022 employee ($92,357) and employer ($114,454) legally required contributions. The employer amount is accrued as a payable at year end and is also included in the deferred outflows figure since it is included as contributions made subsequent to the December 31, 2021, measurement date.

NOTE 12 – DEFERRED INFLOWS OF RESOURCES

The deferred inflows of resources totaled $1,701,888,045 as follows:

Dredging revenue	$ 3,094,019
Ground lease revenue	636,214
Rights fee - IP - concession agreement	5,613,542
Pensions	1,774,178
Other post-employment benefits	2,441,047
Lease revenue	1,688,329,045
	$ 1,701,888,045

Dredging revenue

On July 16, 2019 the District approved Resolution #19-193 to enter into a Memorandum of Agreement with U.S. Army Engineer, New Orleans District concerning the provision of funds pursuant to the section 2106 of the Water Resources Reform and Development Act of 2014 for the use of environmental remediation related to dredging berths and federal navigation channels. On September 24, 2020 the Plaquemines Parish Council adopted Resolution #20-234 which authorized the Plaquemines Parish President to enter into a Cooperative Endeavor Agreement with the Executive Director of the Plaquemines Port, Harbor and Terminal District to collaborate and cooperated together to accomplish the goals of beneficial dredging of the harbors and access channels, and to remain qualified for the grant proceeds.

In 2020, the District received $2,717,720 from the USA Corps of Engineers for dredging. In 2021, the District received $950,400 from the USA Corps of Engineers for dredging.

Prior to 2022, the District in collaboration with Plaquemines Parish Government incurred dredging expenses of $274,688. For the year end December 31, 2022 the District incurred $299,413 of expenses.

At December 31, 2022 the District had $3,094,019 of unearned grant revenue.

Ground lease revenue

Plaquemines Parish Government

In 2020, Plaquemines Parish Government in pursuant to Ordinance #17-156, issued the District a check in the amount $45,330 for the appropriation of easements over lands reference as Tract Nos 6S, 6B, 6L, 6M, 6N, and 6P. The easements are temporary work areas for a term of seventy-two months. For the year ended December 31, 2022, the District recognizes $25,407 in unearned right of way revenue.

Plaquemines Land Ventures, LLC

The ground lease with Plaquemines Land Ventures, LLC is $610,807 payable monthly. The District received a monthly payment related to 2023 in 2022.

NOTE 12 – DEFERRED INFLOWS OF RESOURCES (continued)

Rights Fee - IP

As shown in Note 20 – Concession Agreement - The agreement between SP and the District calls for four draw down payments to effect the development of the intellectual property (IP). Once all draw down phases are complete, the District will capitalize intellectual property valued at $8M and amortize over 40 years (480 months). During the draw down phases the District will report a receivable of intellectual property (IP) on the Statement of Net Position. Also, during the draw down phases, the District will amortize each draw down phase's associated right fee-IP revenue (a deferred inflow of resources) over 40 years. The deferred inflow is shown on the Statement of Net Position and the IP (intellectual property) revenue is shown on the Statement of Revenues, Expenses, and Change in Equity as non-operating revenue.

Lease Revenue

As shown in Note 17. As a lessor, the District applies GASB 87 accounting standard to record lease revenue Lease receivable and corresponding deferred inflow of resources are recorded applying a discount rate.

NOTE 13 - PILOT (PAYMENT IN LIEU OF TAXES) – RECEIVABLES, LIABILITIES, REVENUE AND EXPENSES

Resolution 18-313 approved a donation of funds to the Plaquemines Port Harbor and Terminal District for the purchase of immovable property and to execute lease agreement and a cooperative endeavor agreement between the District and Plaquemines Liquids Terminal LLC. On November 16, 2018, the District purchased 613.52 acres of land. The District entered into a lease agreement with Plaquemines Liquids Terminal LLC on the same day. The lease states so long as the agreement remains in effect and the project site described in the lease is owned by the District, Plaquemines Liquid Terminal LLC shall make PILOT Payments in an amount equal to the amount of ad valorem taxes that would have been assessed against the project site and project components if the project site and project components were owned by Plaquemines Liquids Terminal LLC. PILOT is defined as payments in lieu of taxes; amounts paid to a state or local government in place of property taxes.

In 2022, the District earned $135,603 in PILOT (payment in lieu of taxes) revenue. This amount is based on total ad valorem tax due that would have been due had Plaquemines Liquid Terminals owned the property. The payment was received on November 16, 2022. It is the District's intent to share this revenue with taxing bodies of Plaquemines Parish in proportion with each year's approved millage tax roll. The District intends to enter into cooperative endeavor agreements (CEAs) with all taxing bodies to describe nature and timing for payments annually. The District has a contingent liability in 2022 in the amount of $555,255. Upon completion of CEAs the District will distribute PILOT payment to taxing bodies.

NOTE 14 – NON CURRENT LIABILITIES

Change in Non current Liabilities

Noncurrent liabilities activity for the year ended December 31, 2022, is as follows:

	12/31/2021	Additions	Reductions	12/31/2022	Due within one year
OPEB	$ 2,846,459	$ 3,530,448	$ -	$ 6,376,907	$ -
Lease Liability	$ -	$ 176,996	$ -	$ 176,996	$ 91,100
Accumulated Compensated Absence	$ 145,731	$ 100,303	$ -	$ 246,034	$ -

NOTE 15 - RESTRICTED NET POSITION

Land Fund

The District adopted ordinance 02-45 on March 14, 2002, to set aside twenty percent of total annual tariff revenue earned in an account dedicated to future land acquisition. Spending of these funds must be approved through legislation approved by the Board of Port Commissioners. Activity for the restricted land fund for the year ended December 31, 2022, is described below:

Balance, January 1, 2022	$ 3,496,852
Additions:	
Current year restrictions 20%	1,168,071
Appropriations:	
2022 Original Budget-Trans to Unrestricted for Cap Imp	(1,532,276)
Ordinance #22-123 Water Booster Station	(422,216)
Ordinance #22-133 Piano Keys Land Purchase	(155,000)
Balance, December 31, 2022	$ 2,555,431

NOTE 15 - RESTRICTED NET POSITION (continued)

Relocation Project

In December 2017, the District appropriated $1,233,250 of the restricted land fund for an additional land purchase involving relocating a business for the purpose of port development. In 2019, the District appropriated an additional $58,733.

In 2017, the District disbursed $114,511 of the funds set aside for the relocation project. In 2018, the District disbursed $90,113 from the restricted fund for the project. In 2019, the District disbursed $187,345. In 2020, the District disbursed $236,359 from the restricted fund for the project. In 2021, the District disbursed $369,373 from the restricted fund for the project. In 2022, the District disbursed $110,483 from the restricted fund for the project. The available balance at December 31, 2022, was $183,798.

Balance, January 1, 2022	$	294,281
Additions:		
Current year restrictions		-
Reductions:		
Current year expenditures		(110,483)
Balance, December 31, 2022	$	183,798

Port maintenance – drainage project

During the year 2016, the District approved spending of $150,000 from the Land Fund for a 5-year capital improvement drainage project. In 2018, the Board of Commissioners appropriated an additional $100,000 to the District's 5-year Capital Budget for drainage maintenance and improvements via ordinance 18-159.

In 2016, expenditures totaled $49,900. At December 31, 2017, the District disbursed $54,250 of the funds set aside for the project. In 2018, disbursements totaled $62,999. In 2019, the District disbursed $14,902 for project maintenance. In 2020, the District had no expenditures for drainage maintenance. In 2021, expenditures totaled $3,814. In 2022, the District had no expenditures for drainage maintenance. The available project balance at December 31, 2022, was $64,134.

Balance, January 1, 2022	$	64,134
Additions:		
Current year restrictions		-
Reductions:		
Current year expenditures		-
Balance, December 31, 2022	$	64,134

NOTE 15 - RESTRICTED NET POSITION (continued)

Upgrades-Plaquemines Parish Waterline and Booster Station

On April 8, 2021, the Board of Commissioners approved resolution 21-96, which authorized the Executive Director to enter into an agreement to perform services related to upgrades to the Plaquemines Parish waterline and booster station.

Ordinance 22-123 adopted on October 13, 2022, appropriated $422,216 for the estimated cost for Phase 2 engineering and design services to support the construction of the Plaquemines Parish waterline and booster station project. In 2022, the District had $91,040 of expenditures for the booster station project and the available project balance at December 31, 2022, was $331,176.

Balance, January 1, 2022	$	-
Additions:		
Ordinance #22-123 Upgrd Waterline & Booster Station		422,216
Reductions:		
Current year expenditures		(91,040)
Balance, December 31, 2022	$	331,176

NOTE 16 – SERVICE REVENUE

Services provided by the District range from monitoring of ship traffic and handling of cargo in the harbor to preventing collisions and accidents and providing emergency services such as firefighting, search, and rescue. The services provided by the District are funded primarily by the collection of tariff fees including harbor fees, security fees, and supplemental fees. These fees are assessed to all vessels engaged in waterborne commerce within the District. The District imposes tariff charges on ships, vessels, boats, barges, wharves and facilities. The district also charges fees for a public ferry service within two locations in the parish.

The service revenue for the year ended December 31, 2022, can be categorized as follows:

Description		Amount
Security- Harbor	$	124,468
Security- Cargo		2,526,354
Harbor Fee		895,225
Docking Fee		300,127
Supplemental Harbor Fee		1,993,980
Minimum Charges		202
Ferry Tolls		207,212
Less: Allowance for Bad Debts		(71,044)
Total Service Revenue	$	5,976,524

NOTE 17 – LEASE REVENUE

Lease revenue for the year ended December 31, 2022, is made up of the following:

Warehouse and Dock		
Marine Spill Response Corporation	$	179,917
Property		
Highpoint Gas Transmission LLC		9,573
B3 Access Property		500
Phylway		6,000
Lot 8		2,000
Venture Global Plaquemines LNG, LLC		25,257,336
Plaquemines Land Ventures, LLC		6,629,314
Plaquemines Parish Government-ROW		7,556
Total Lease Revenue	$	32,092,196

<u>Lease revenue – warehouse, dock, and parking area</u>

Marine Spill Response Corporation (MSRC)

On June 14, 1994, the District entered into a written lease agreement with MSRC, an unrelated party for property, for the purpose of leasing a warehouse, dock facilities and parking area. The term of the lease is 30 years beginning June 1, 1995, and ending May 31, 2025. The lessee has the option to renew every 10 years. Monthly rent payments are increased by 10% every 60 months.

The unrelated party currently agrees to pay the District a sum of $17,715 monthly for the year 2022. Payments are due on the first day of each month.

The District applied a discount rate of 2.42% to recognize the lease revenue under this lease.

NOTE 17 – LEASE REVENUE (continued)

Lease revenue- property

High Point Gas Transmission, LLC

On December 31, 2015, the District entered into a pipeline right-of-way agreement with High Point Gas Transmission, LLC for a nonexclusive twenty-five (25) foot right-of-way, easement and servitude over, across and under Plaquemines Port, Harbor & Terminal District- owned tract of land located in Sections 1, 2 & 3, Township 17 South, Range 25 East, Plaquemines Parish, LA; to construct, lay, install, maintain, operate, inspect, alter, repair and, or, remove in whole or in part, one twelve (12") inch diameter pipeline, +/- 4,512.68 feet in length, containing a total of +/- 273.50 rods, for the transportation on of oil, gas, and water and/or any other gasses or liquids that can be transported in a pipeline.

This lease shall have a primary term of twenty (20) years with the option to renew and extend the agreement at the end of the primary term for one additional period of twenty years by notifying the District in writing 90 days prior to the end of the primary term. High Point is required to pay the District in full prior to the first day of the primary term of rental payment the amount of $191,450. The established annual rental fee of $35.00 per rod for a pipeline with a diameter of 9 to 24 inches was established by ordinance 03-55 on April 10, 2003.

B3 Access Property

On February 22, 2018, ordinance 18-19 was adopted by the Board of Commissioners which authorized the Executive Director to purchase land owned by Richard Waldner and to then lease the property to Mr. Waldner on a short-term basis. On March 1, 2018, the District entered into a residential lease with Richard Eugene Waldner. The District leases to leasee the house and improvements situated at 20945 Highway 23 Port Sulphur, Louisiana for $250 per month. Lease revenue for 2022 for this mentioned property is $500.

Phylway

On October 22, 2020, resolution 20-256 was adopted by the District's Board which authorized the Executive Director to lease a particular tract of land to Phlyway Construction LLC for the purpose of aiding in the construction of the back-levees in Plaquemines Parish. The lease is $500 per month. This lease is considered a month-to - month lease.

NOTE 17 – LEASE REVENUE (continued)

Venture Global Plaquemines LNG, LLC

The lease for parcel 2 is for an initial term of 30 years with options of 4 additional terms of 10 years each for a total term of 70 years. The initial ground lease payment is $738,498 monthly. After the fifth anniversary of the lease agreement and every five years thereafter, the annual lease payment will increase by the greater of 15% or the current CPI percentage, not to exceed 20%. The District applied a discount rate of 0.13% to recognize the lease revenue under this lease.

The lease for the laydown area parcel of land is for a term of 5 years, unless cancelled earlier. The ground lease payment is $93,334 monthly. The District applied a discount rate of 0.13% to recognize the lease revenue under this lease.

Plaquemines Land Ventures, LLC

The lease for parcel 3 (approximately 523 acres is for a term of 5 years. The ground lease payment is $610,807 monthly. The District applied a discount rate of 0.13% to recognize the lease revenue under this lease.

<u>Lease receivable and Revenue Recognition</u>

As the lessor, the District applies GASB 87 accounting standard to record lease revenue on the above leases. Lease receivable and corresponding deferred inflow of resources are recorded applying a discount rate. Leases that have terms less than 12 months or on a month-to-month basis revenue is recognized when earned. No lease receivable or deferred inflows are recorded for these leases.

As shown on the Statement of Net Position, the District has recorded lease receivables in the amount of $ $1,712,258,728 and deferred inflows of resources-lease in the amount of $1,688,329,045 pursuant to the lease noted above.

	Lease Receivable	Deferred Inflows
High Point Gas Transmission LLC	$ -	$ 124,443
Marine Spill Response Corporation	481,803	419,807
Venture Global Plaquemines LNG, LLC Parcel 2	1,681,662,808	1,657,293,309
Venture Global Plaquemines LNG, LLC Laydown Area	3,910,912	3,974,230
Plaquemines Land Ventures, LLC Parcel 3	26,202,205	26,517,256
	$ 1,712,257,728	$ 1,688,329,045

NOTE 17 – LEASE REVENUE (continued)

The District has entered into lease agreements involving land it owns. The terms and conditions of the leases are noted below. The total amount of principal and interest received from these agreements amounted to $14,927,930 and $2,246,568, respectively. The future lease payments under these agreements are as follows:

	Year	Principal Payments	Interest Payments	Total
Y1	2023	$ 15,298,514	$ 2,225,734	$ 17,524,248
Y2	2024	15,323,121	2,201,127	17,524,248
Y3	2025	15,205,151	2,177,377	17,382,528
Y4	2026	12,204,310	2,157,968	14,362,278
Y5	2027	8,045,569	2,145,703	10,191,272
Y6-10	2028 - 2032	42,680,250	10,569,149	53,249,399
Y11-15	2033 - 2037	50,970,765	10,266,043	61,236,808
Y16-20	2038 - 2042	60,517,172	9,905,158	70,422,330
Y21-25	2043 - 2047	71,507,934	9,477,744	80,985,678
Y26-30	2048 - 2052	84,159,787	8,973,744	93,133,531
Y31-35	2053 - 2057	98,721,974	8,381,586	107,103,560
Y36-40	2058 - 2062	115,481,128	7,687,966	123,169,094
Y41-45	2063 - 2067	134,766,877	6,877,581	141,644,458
Y46-50	2068 - 2072	156,958,292	5,932,835	162,891,127
Y51-55	2073 - 2077	182,491,307	4,833,489	187,324,796
Y56-60	2078 - 2082	211,867,245	3,556,270	215,423,515
Y61-65	2083 - 2087	245,662,631	2,074,412	247,737,043
Y66-70	2088 - 2091	190,396,703	443,794	190,840,497
	TOTAL	$ 1,712,258,730	$ 99,887,680	$ 1,812,146,410

NOTE 18 – OPERATING LEASES

In 2022, the District recognized office space rent expense of $75,780, associated office space utility expense of $31,632 and rent expense for land of $14,148.

Land
On January 5, 2016, the District entered into an operating lease agreement with Plaquemines Parish Government authorized by ordinance 15-272 adopted on September 24, 2015, for the purpose of leasing office space located at 8056 Highway 23 and an undeveloped tract of land located at 333 F. Edward Hebert Drive, both locations in Belle Chasse, Louisiana. The lease for office space is for a primary term of five (5) years beginning January 1, 2016, and ending December 31, 2020. The lease for the undeveloped land is for a primary term of ten (10) years beginning January 1, 2016, and ending December 31, 2025. The initial monthly rental for the undeveloped tract of land is $1,000 a month. The initial payment for the land consisted of a lease rental for one-year totaling $12,000. Lease rentals for subsequent years for the land are due and payable for the entire year in advance of the anniversary date for each subsequent year of the agreement subject to consumer price index adjustments. In 2022, the District paid one year of property lease rental totaling $14,148.

Office space

On February 25, 2021, the Plaquemines Parish Council adopted Resolution 21-62 authorizing the Parish President to sign, execute and enforce a lease agreement between the Plaquemines Port, Harbor and Terminal District and the Plaquemines Parish Government, for the purpose of leasing office space located at 8056 Highway 23 and building utilities. The lease for office space is for a primary term of three (3) years beginning January 1, 2021, and ending January 1, 2024. The initial monthly rental is $5,900 for the District's office space and $2,554 for electricity and water services for the first year of the lease. Each year thereafter the District shall pay 40% of the preceding year's total expenses for electricity and water services provided to 8056 Highway 23. Lease rentals for subsequent years for the building and utilities are due and payable for the entire year in advance and are increased each year by an amount equal to the increase measured by the consumer price index. In 2022, the District paid one year of property lease rental and utilities totaling $107,412.

The District has entered into lease agreements involving buildings, land and equipment for operations. The terms and conditions of the leases are noted below. The incremental borrowing rate of 2.42% was utilized by the District, based on the District's historical borrowing rate from 2013. The total of the Government's leased assets are recorded at a cost of $430.762, less accumulated amortization of $272,246. The future lease payments under these agreements are as follows:

Year	Principal Payments	Interest Payments	Total
2023	$ 91,100	$ 4,186	$ 95,286
2024	21,244	2,015	23,259
2025	22,233	1,493	23,726
2026	11,270	947	12,217
2027	11,108	668	11,776
2028-2032	21,715	536	22,251
TOTAL	$ 178,670	$ 9,845	$ 188,515

NOTE 19 - INTERAGENCY SERVICE CHARGE

Service Charge, Fire and Ambulance Services

On December 9, 2021, the District's Board of Commissioners adopted the Districts' 2022 Operating Budget which included Interagency Service Charge expense in the amount of $306,050 and an Interagency-Fire & Ambulance Service Charge in the amount of $585,867 for a total Interagency Service Charge expense to be paid to the Plaquemines Parish Government in the amount of $891,917. The fee amount was derived from a fee schedule presented by the Plaquemines Parish Government based on Plaquemines Parish Government's expense budget for various departments. These departments included Civil Service, Parish Council, Council Secretary, 911 Operations, Emergency Preparedness, Telecommunications, Firefighting, and Ambulance Services as seen in the charts below:

Plaquemines Parish Government Department	2022 Actual Expenditures	Percent Charged to District	Amount Paid to Plaquemines Parish Government
911 Services	$ 412,286	15%	$ 61,843
Civil Service	175,974	8%	14,078
Council	937,128	20%	187,426
Council Secretary	141,757	20%	28,351
Emergency Prep	342,787	10%	34,279
Telecommunications	334,256	5%	16,713
Total	$ 2,344,188		$ 342,689

Plaquemines Parish Government Department	2022 Actual Expenditures	Percent Charged to District	Amount Paid to Plaquemines Parish Government
Firefighting	$ 9,077,487	7.5%	$ 680,812
Ambulance Services	2,750,408	7.5%	206,281
Total	$ 11,827,895		$ 887,092

The District paid a total of $342,689 for interagency service charges and $887,092 for Firefighting and Ambulance interagency service charges for a total of $1,229,781. Plaquemines Parish Government invoiced the District on a quarterly basis based on actual expenses.

The District currently does not have an agreement with Plaquemines Parish Government pertaining to the percentage of usage or details of payment schedules.

NOTE 20 – RAIL EXTENSION - CONCESSION ARRANGEMENT - RIGHTS FEE AND REVENUE SHARING PAYMENTS

Agreement between Sustainability Partners, LLC and the District

A cooperative endeavor agreement (CEA) between Sustainability Partners (SP), LLC and the District was executed on March 24, 2021.

On July 22, 2021, the District executed an agreement with Sustainability Partners to enhance intermodal connectivity within the District's jurisdiction. The agreement is to have SP provide to the District intellectual property valued at $8M for the rail extension in Plaquemines Parish.

The general terms of the agreement defines the concession arrangement between the District and SP. SP will pay a rights fee as an upfront fee paid to the District in the form of draw down payments for the purpose of creating the intellectual property (IP) of the rail extension. In return of the drawn down payments, SP will receive limited but exclusive rights during the units (defined as operating equipment) remaining useful life. In consideration for this fee, District will pay a monthly usage rights fee expense as a percentage of revenue not to exceed $70,406 (per month). The minimum useful life for all determinations involving the units/rights fee and the assignment fee shall be 40 years. The agreement also allows for prepayment.

Accounting for the agreement and payments made under the agreement

The District has accounted for the agreement with SP as a service concession agreement which is governed by GASB 60 Accounting and Financial Reporting for Service Concession Arrangements. A service concession agreement is an arrangement between a transferor (the District) and an operator (SP) in which the transferor (the District) conveys to an operator (SP) the right and related obligations to provide services through the use of infrastructure or another public asset in exchange for significant consideration, and the operator (SP) is compensated by fees from third parties.

The agreement calls for four draw down payments to effect the development of the intellectual property (IP). Once all draw down phases are complete, the District will capitalize intellectual property valued at $8M and amortize over 40 years (480 months). During the draw down phases the District will report a receivable of intellectual property (IP) on the Statement of Net Position. Also, during the draw down phases, the District will amortize each draw down phase's associated right fee-IP revenue (a deferred inflow of resources) over 40 years. The deferred inflow is shown on the Statement of Net Position and the IP (intellectual property) revenue is shown on the Statement of Revenues, Expenses, and Change in Equity as non-operating revenue.

The drawn down phases 1 and 2 represent a receivable of intellectual property of $5,750,000.

The District is at the end of the second draw down phase. A certificate of completion and notice to proceed will need to be completed prior to moving to phase 3.

In 2022 the District's total monthly rights fee expense (calculated as a revenue sharing payment) totaled $519,244.

NOTE 21 – CONCENTRATIONS

Concentration of Credit Risk

The District grants credit without collateral to its customers, most of whom are businesses within the Plaquemines Parish geographical area.

Economic Dependency

The District is located in Plaquemines Parish, Louisiana, and relies on tariffs collected from vessels engaged in waterborne commerce within the district and ground lease revenue. Prolonged interruption in vessel traffic in the Mississippi River as the result of natural and man-made disasters would adversely affect the District's primary source of revenue.

NOTE 22 – RELATED PARTY TRANSACTIONS

Louisiana Revised Statute 34: 1352 states the Plaquemines Parish Commission Council is hereby declared to be the governing authority of the Plaquemines Port, Harbor and Terminal District, and shall prescribe rules to govern its meeting with regard to said port authority. The Plaquemines Parish Government Charter establishes the legislative powers of the Parish Council in Article 4 Section 4.01 which states all legislative powers of the Parish of Plaquemines shall be vested in the Parish Council.

The operating leases described in Note 18 - Operating Leases between the Plaquemines Parish Government and Plaquemines Port, Harbor & Terminal District are related party transactions.

The interagency service charge described in Note 19 – Interagency Service Charge between the Plaquemines Parish Government and Plaquemines Port, Harbor & Terminal District, in which the District pays for administration services relating to Civil Service, Parish Council, Council Secretary, 911 Operations, Emergency Preparedness, Telecommunications, Firefighting, and Ambulance Services is based on percentage of use of total budget.

The Cooperative Endeavor agreement described in Note 12-Deferred Inflows of Resources; Unearned Revenue between the Plaquemines Parish Government and Plaquemines Port, Harbor & Terminal District, in which the Port and the Plaquemines Parish Government work collectively for dredging efforts throughout the Parish and District's jurisdiction.

NOTE 23 – LITIGATION AND OTHER CONTINGENCIES

The District filed a declaratory judgment against Sustainability Partners, et al. on September 19, 2022, through Resolution No. 22-197 passed on August 25, 2022. An amended petition for declaratory judgment was filed on December 12, 2022.

Subsequently, on March 23, 2023, the District passed Resolution 23-91 to authorize the District's legal counsel to file a motion to dismiss the declaratory judgement petition and the amended petition against Sustainability Partners et al. The District and Sustainability Partners worked collectively to address the obligations referenced in the petition and amended petition for declaratory judgment.

NOTE 24 – ACCOUNTING CHANGES/PRIOR YEAR RESTATEMENT

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirement for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. The implementation of GASB Statement No. 87 resulted in a restatement of previously reported net position and fund balance as follows:

December 31, 2021 net position, as previously reported	$63,777,645
Net effect of recording right to use assets, deferred inflows, and liabilities	6,897,190
December 31, 2021 net position, as restated	$70,674,835

NOTE 25 – SUBSEQUENT EVENTS

Per resolution 18-313, dated October 25, 2018, the Board of Commissioners approved the use of a donation of funds to acquire certain immovable property and enter into a cooperative endeavor agreement and lease agreement with Plaquemines Liquids Terminal, LLC in connection with the land for certain dock, wharf, and rail improvements, pipeline and pumping infrastructure, blending/storage facility improvements and any additional improvements. On December 28, 2022, Plaquemines Liquids Terminal LLC exercised its right pursuant to the terms of the lease agreement to terminate the lease agreement. Through the notice to terminate and authorized through the lease agreement, Plaquemines Liquids Terminal LLC identified the Coastal Protection and Restoration Authority as the purchaser of the property. Per resolution 23-41, dated February 1, 2023, the District seeks not to exercise its right of first refusal, as identified in Section 4. 1 (e) of the above referenced lease agreement and seeks to proceed with the sale of the property to Coastal Protection and Restoration Authority. The property was sold to CPRA for $36,000,000, which the District remitted to Plaquemines Liquids Terminal, LLC in accordance with the 2018 donation agreement.

On March 23, 2023, the District passed Resolution 23-91 to authorize the District's legal counsel to file a motion to dismiss the declaratory judgement petition and the amended petition against Sustainability Partners et al. The District and Sustainability Partners worked collectively to address the obligations referenced in the petition and amended petition for declaratory judgment.

On May 10, 2023, The District filed a petition for declaratory judgement and permanent injunction against the State of Louisiana, Department of Transportation and Development and Plenary Infrastructure Belle Chasse, LLC.

On May 11, 2023, the District adopted Ordinance 23-59 which approved the project to start developing a Port Master Plan in a phased approach with the final master plan to be completed no later than the second quarter of 2024. Phase 1 shall include a market analysis of all of the District's tonnages and commodities to be used as a forecasting tool for its future planned growth; Phase 2 shall include an economic impact analysis to create a baseline for the District's current economic contribution; Phase 3 shall include the full master plan with implementation plan.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF CHANGE IN NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2022

	2018	2019	2020	2021	2022
OPEB Expense					
Service cost	$ 254,337	$ 264,256	$ 289,236	$ 205,423	$ 293,210
Interest	122,361	134,754	145,007	56,933	63,056
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(26,653)	(1,406,780)	19,012	4,768,950
Changes of assumptions	-	-	(206,201)	29,759	(1,436,529)
Benefit payments	(23,617)	(22,268)	(44,993)	(47,468)	(158,239)
Net change in total OPEB liability	353,081	350,089	(1,223,731)	263,659	3,530,448
Total OPEB liability - beginning	3,103,361	3,456,442	3,806,531	2,582,800	2,846,459
Total OPEB liability - ending	$ 3,456,442	$ 3,806,531	$ 2,582,800	$ 2,846,459	$ 6,376,907
Covered-employee payroll	$ 1,847,077	$ 1,920,960	$ 2,205,359	$ 2,271,520	$ 3,242,249
Net OPEB liability as a percentage of covered-employee payroll	187.13%	198.16%	117.11%	125.31%	196.68%
Notes to Schedule:					
Benefit Change:	None	None	None	None	None
Changes of Assumptions:					
Discount Rate:	3.67%	3.67%	2.12%	2.06%	3.72%
Mortality:	RP-2014-2017	RP-2014-2017	RP-2014	RP-2014	PubG.H-2010
Trend:	Variable	Variable	Variable	Variable	Getzen model

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Year Ended December 31, 2022

Year Ended December 31.	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage of the Total Pension Liability
2015	PERS Plan A	0.318732%	$ 87,144	$ 1,826,321	4.8%	99.1%
2016	PERS Plan A	0.345807%	$ 910,263	$ 1,984,281	45.9%	92.2%
2017	PERS Plan A	0.333225%	$ 686,281	$ 1,976,205	34.7%	94.1%
2018	PERS Plan A	0.332028%	$ (246,447)	$ 2,028,789	-12.1%	102.0%
2019	PERS Plan A	0.348498%	$ 1,546,759	$ 2,139,882	72.3%	88.9%
2020	PERS Plan A	0.361398%	$ 17,013	$ 2,291,537	0.7%	99.9%
2021	PERS Plan A	0.363698%	$ (637,713)	$ 2,125,382	-30.0%	104.0%
2022	PERS Plan A	0.399675%	$ (1,882,643)	$ 2,606,547	-72.2%	110.5%

*Amounts presented were determined as of the measurement date of December 31, 2021

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
For the Year Ended December 31, 2022

Year Ended December 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	PERS Plan A	$ 287,721	$ 287,721	$ -	$ 1,953,629	14.7%
2016	PERS Plan A	$ 257,102	$ 257,102	$ -	$ 1,976,205	13.0%
2017	PERS Plan A	$ 256,907	$ 256,907	$ -	$ 2,028,789	12.5%
2018	PERS Plan A	$ 253,599	$ 253,599	$ -	$ 2,139,882	11.5%
2019	PERS Plan A	$ 263,527	$ 263,527	$ -	$ 2,291,537	11.5%
2020	PERS Plan A	$ 306,758	$ 306,758	$ -	$ 2,504,149	12.25%
2021	PERS Plan A	$ 319,302	$ 319,302	$ -	$ 2,606,547	12.25%
2022	PERS Plan A	$ 417,218	$ 417,218	$ -	$ 3,627,985	11.50%

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

OTHER SUPPLEMENTAL INFORMATION

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2022

Agency Head	Maynard Sanders	Charles Tillotson
Period	1/1/2022 - 11/4/2022	12/1/2022 - 12/31/2022
Purpose	Amount	Amount
Salary	$ 215,137	$ 14,383
Benefits- Insurance	28,117	209
Benefits- Retirement	23,597	1,654
Vehicle- Fuel	3,621	107
Vehicle-Fringe Benefits	3,511	-
Data/Wireless- Benefits	2,328	852
Reimbursements	1,633	3,429
Travel (Hotel, Air, Car Rental, Taxi, Meals)	17,482	979
Total	$ 295,426	$ 21,613

COMPLIANCE AND INTERNAL CONTROL SECTION

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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*

Board of Commissioners
Plaquemines Port, Harbor, & Terminal District
Belle Chasse, 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 the business-type activities of Plaquemines Port, Harbor, & Terminal District, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise Plaquemines Port, Harbor, & Terminal District's basic financial statements and have issued our report thereon dated June 29, 2023.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-1 and 2022-2 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2022-3 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plaquemines Port, Harbor, & Terminal District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-4, 2022-5, 2022-6, and 2022-7

Plaquemines Port, Harbor, & Terminal District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Plaquemines Port, Harbor, & Terminal District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Plaquemines Port, Harbor, & Terminal District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Under the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 29, 2023

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2022

We have audited the financial statements of the Plaquemine Port, Harbor & Terminal District as of and for the year ended December 31, 2022, and have issued our report thereon dated June 29, 2023. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2022, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control
Material Weaknesses ☒ Yes ☐ No
Significant Deficiencies ☒ Yes ☐ No

Compliance Material to Financial Statements ☒ Yes ☐ No

Was a management letter issued? ☒ Yes ☐ No

B. Federal Awards

The Plaquemines Port, Harbor & Terminal District did not expend federal awards exceeding $750,000 during the year ended December 31, 2022, and therefore is exempt from the audit requirements under the Single Audit and the Uniform Guidance.

Section II Financial Statement Findings

A. Material Weakness

2022-1 Timely Bank Reconciliations

Criteria - Bank reconciliations should be prepared within 2 months of the statement closing date. Timely bank reconciliations plays an important role into accurate financial reporting and fraud detection. Timely bank reconciliations are a key component of internal control.

Condition -The District does not consistently prepare bank reconciliations within 2 months of the statement closing date.

Cause -The District does not have a procedure to provide oversight to ensure timely bank reconciliations.

Effect - The District could not respond to any errors or corrections of financial reporting in a timely manner.

Recommendation - We recommend the District evaluate the current procedures regarding bank reconciliation preparation to ensure bank reconciliations are performed timely.

Management's Response - Management's response is found on page 66

2022-2 Control Over Electronic Funds Disbursements for Credit Card Payments

Criteria - The District is to maintain internal control over disbursements for vendor payments.

Condition – The District pays their credit card statement via automatic bank draft. The District's written accounting procedures do not address automatic drafts or payment of electronic funds transfer for cash disbursements in the accounts payable process.

Cause -The District does not have an implemented procedure to ensure credit card statements are approved with supporting documentation prior to payment being made.

Section II Financial Statement Findings (continued)

A. Material Weakness (continued)

2022-2 Control Over Electronic Funds Disbursements for Credit Card Payment (continued)

Effect -For the fiscal year, the District could not document the credit card statements are approved prior to making the payment.

Recommendation - We recommend the District evaluate the current procedures regarding approval of travel card statements to ensure the proper approval of these transactions prior to making the payment.

Management's Response - Management's response is found on page 66

B. Significant Deficiency

2022-3 Budgeting and Budget Amendments

Criteria - Although the Louisiana Government Budget Act (LGBA) (Louisiana RS 39:1301-1315) does not require the preparation of a budget for proprietary or fiduciary funds, the Louisiana Legislative Auditor (LLA) recommends that entities prepare such budgets as a best practice for managing the financial stability of these funds.

As a best practice, the LLA recommends the governing authority be provided monthly a report of budget-to-actual comparisons for the General Fund, special revenue funds, and any other large fund, including proprietary. In accordance with provision of the LGBA, once the governing authority has been notified of a 5% variance of revenues and expenditures to budget or a change in operations upon which the original budget was developed, the governing authority must amend the budget.

Section II Financial Statement Findings (continued)

B. Significant Deficiency (continued)

2022-3 Budgeting and Budget Amendments

Condition - The District reports its activities in a proprietary fund. The District has a policy regarding adopting, monitoring and amended the budget. During the fiscal year 2022, the District made payments under the agreement with Sustainability Partners which required revenue sharing payments in the amount of $519,244. Those payments were not budgeted. During the fiscal year 2022, the District made payments to Plaquemines Parish Government for the interagency service fee for fire and ambulance of $887,092. This amount exceeded the budgeted line item by $301,225. During the fiscal year 2022, the District budgeted grant revenues and expenses for a number of Port Security Grant projects, the projects were not initiated during the year and the budgeted was not amended.

Cause - The District did not amend the 2022 fiscal year budget timely for significant transactions that occurred during the year.

Effect - The District does not have a real time best practice for managing the financial stability of their funds.

Recommendation - The District review and amend if necessary their policies and procedures regarding budget adoption, monitoring, and amending to ensure the public is made aware of the changes in the District financial activities.

Management's Response - Management's Response is on page 66

Section II Financial Statement Findings (continued)

C. Compliance

2022-4 Cooperative Endeavor Agreement (CEA) with Plaquemines Parish Government

Criteria – Louisiana Law RS 34:1362 states: The governing authority of the Plaquemines Port, Harbor and Terminal District shall have the right to enter into any and all contracts and agreements with the parish of Plaquemines, the Board of Commissioners of the Port of New Orleans, and any other public subdivisions or authorities relative to any and all matters which lie within the jurisdiction of the district and the governing authority thereof.

Louisiana Law RS 33:1324.1 - Political corporations and subdivisions contracts for services. In order to effect economy of operation, any two or more political corporations or subdivisions may contract with each other to combine the use of administrative and operative personnel and equipment upon such basis of compensation therefor as may be mutually agreed to by all such political corporations and subdivisions.

Louisiana RS33:1325 Form and publication of agreements. All arrangements concluded under the authority of R.S. 33:1324 shall be reduced to writing. For this purpose it shall suffice for each party to the agreement, acting through its governing body, to accept the agreement by the passage of an ordinance or resolution setting out the terms of the agreement. The agreement, ordinance, or resolution shall be published in the official journal of the parish or municipality, in the same manner as are the other proceedings of the governing body.

Condition –The Plaquemines Parish Council is the sole governing authority of the District commonly referred to as the District's Board of Commissioners. The District and the Plaquemines Parish Government are two distinct legal entities created individually by different state statutes. The Board budgeted and required to be paid an interagency service fee to the Plaquemines Parish Government in the amount of $1,229,781 for the purposes of 911 services, civil service, council expenses, council secretary expenses, emergency preparations and telecommunications, fire-fighting and ambulance service fee.

Cause – The District transferred funds to the Plaquemines Parish Government without a written cooperative endeavor agreement or any other written agreement. as described in Louisiana RS 33:1325

Section II Financial Statement Findings (continued)

C. Compliance (continued)

2022-4 Cooperative Endeavor Agreement (CEA) with Plaquemines Parish Government (continued)

Effect – The District transferred funds to the Plaquemines Parish Government (PPG) without a written agreement that set forth in reasonable detail the following items: (1) obligations of the District and PPG, (2) reasonable expectations that the benefits to be received by the local governmental entity from the transfer, (3) consequences to the public in the event of a default or breach of the agreement.

Recommendation – The District utilize its best efforts to comply with the statutory guidelines regarding cooperative endeavor agreements.

Management's Response - Management's response is found on page 66

2022-5 Failure to comply with Louisiana Revised Statue regarding obtaining appraisals prior to purchasing immovable property.

Criteria - Louisiana Revised Statue 33:4712.10 - Notwithstanding any other provision of law to the contrary, no political subdivision shall purchase immovable property with a value greater than three thousand dollars unless prior to such purchase the property has been appraised by a qualified appraiser. No such appraisal shall include the value of improvements proposed to be made to the property after purchase by the political subdivision.

Condition - In July 2022, the District purchased property titled Lot 60A for $100,378 without documentation of a qualified appraisal.

Cause – The District does not have a procedure to provide oversight to ensure land appraisals are obtained prior to purchasing immovable property.

Effect - The District violated Louisiana Revised Statue 33:4712.10

Recommendation - We recommend the District evaluate the current procedures regarding land purchases to ensure appraisals are obtained for immovable property.

Management's Response - Management's response is found on page 66

Section II Financial Statement Findings (continued)

C. Compliance (continued)

2022-6 Failure to comply with Louisiana Revised Statues regarding ethics training and prevention of sexual harassment training

Criteria - The Louisiana statute R.S. 42:1170 (3)(a)(i) requires that all public servants complete a minimum of one hour of education and training on the Code of Governmental Ethics during each year of their public employment or term of office. The Louisiana statute R.S. 42:343(A)(1) requires that all public servants complete a minimum of one hour of education and training on preventing sexual harassment.

Condition - One of five employees selected for examination did not complete the required annual ethics training and did not completed the required annual preventing sexual harassment training prior to December 31, 2022.

Cause - The District's lack of monitoring procedure related to mandated ethics training and prevention of sexual harassment training caused a failure in achieving compliance.

Effect - Not all of the District's employees received the mandated training.

Recommendation - Management should develop a monitoring policy to ensure compliance with mandated training.

Management's Response - Management's response is found on page 66

Section III Management Letter

2022-7 Execution of the District's special meal policy

Criteria – The District has a written reimbursement policy that includes special meals. The policy states: (a) The reimbursement is designed for those occasions when, as a matter of extraordinary courtesy or necessity, it is appropriate and in the best interest of the District to use public funds for provision of a meal to a person who is not otherwise eligible for such reimbursement and where reimbursement is not available from another source. (b) The District's management will report on a quarterly basis to the Chairman and/or Vice Chairman all special meal reimbursements made during the previous three months. These reports must include, for each special meal, the name and title of the person receiving reimbursement, the name and title of each recipient, the cost of each meal and an explanation as to why the meal was in the best interest of the District

Condition – The District could not provide documentation regarding the special meal report being delivered to the Chairman and/or Vice-Chairman

Cause & Effect – The District has not adhered to policy to insure special meals are in the best interest of the District.

Recommendation Management should develop a monitoring policy to ensure compliance with the stated policy

Management's Response - Management's Response is found on page 67

Section IV Federal Award Findings and Questioned Costs

Not applicable.

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

A. Material Weakness

None

B. Significant Deficiencies

None

C. Issues of Noncompliance

2021-1 Cooperative Endeavor Agreement (CEA) with Plaquemines Parish Government

The District transferred funds to the Plaquemines Parish Government without a written cooperative endeavor agreement or any other written agreement. as described in Louisiana RS 33:1325. The District transferred funds to the Plaquemines Parish Government (PPG) without a written agreement that set forth in reasonable detail the following items: (1) obligations of the District and PPG, (2) reasonable expectations that the benefits to be received by the local governmental entity from the transfer, (3) consequences to the public in the event of a default or breach of the agreement.

Status: Unresolved see 2022-4 Compliance Finding

2021-2 Delayed filing of Financial Statements

The District was impacted by the effects of Hurricane Ida, Covid and litigious activity regarding the public private partnership agreement with Sustainability Partners. The District need additional time to overcome the effects of this environmental, unusual, and unique occurrences. The District was unable to comply with the emergency extension deadline.

Status: Resolved

Section II – Management Letter

2021-3 Budgeting and Budget Amendments

The District did not amend the 2021 fiscal year budget for the revenue sharing payments, as this was a new type of activity for the District.

Status: Unresolved see Finding 2022-3

Section III – Internal Control and Compliance Material to the Federal Awards

Not applicable

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

A. Material Weakness

2022-1 Timely Bank Reconciliations

Management agrees with the finding and will develop procedures to ensure timely bank reconciliations.

2022-2 Control Over Electronic Funds Disbursements for Credit Card Payments

Management agrees with the finding and will evaluate the current procedures regarding the approval of travel card statements to ensure the proper approval of these transactions before making the payments.

B. Significant Deficiencies

2022-3 Budgeting and Budget Amendments

Management agrees with the finding and will amend its policies and procedures to ensure a minimum quarterly review. It will make timely budget adjustments, including adjusting interagency budget variances as required for monthly budget variance reporting.

C. Issues of Noncompliance

2022-4 Cooperative Endeavor Agreement (CEA) with Plaquemines Parish Government

Management understands and appreciates the auditor's view in this matter. Management agrees to amend the 2013 CEA between PPG & PPHTD to include adding the most recent changes for cost-sharing of the commission, commission secretary, civil service, telecommunications and other real estate cost-sharing requirements.

2022-5 Failure to comply with Louisiana Revised Statue regarding obtaining appraisals prior to purchasing immovable property.

Management agrees with the finding and will implement procedures to ensure that appraisals are obtained before purchasing an immovable property.

2022-6 Failure to comply with Louisiana Revised Statues regarding ethics training and prevention of sexual harassment training

Management agrees with the finding and will develop a policy and modify its procedures to ensure compliance with all mandated training.

Section II – Management Letter

2022-7 Execution of the District's special meal policy

Management acknowledges the auditor's perception and will monitor its procedures to ensure clear documentation and communications that support following the special meal policy.

Section III – Internal Control and Compliance Material to the Federal Awards

Not Applicable.

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners Plaquemines Port, Harbor & Terminal District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 to through December 31, 2022. Plaquemines Port, Harbor & Terminal District (the District). The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
   i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
   ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
   iii. ***Disbursements***, including processing, reviewing, and approving.

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

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

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

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

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

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

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

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

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

Results: Exceptions were noted for items:

(A)(xi) Information Technology Disaster Recovery/Business Continuity- We did not observe a written policy that included all the items enumerated above and

(A)(xii) Prevention of Sexual Harassment- We did not observe a written policy that enumerated and annual employee training and reporting.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

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

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

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

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

Procedures performed. No exceptions noted.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

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

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

Results: Exceptions were noted for items:

(A)(i) We did not observe evidence of preparation within two months of the related statement closing date on two of the five reconciliations.

(A)(ii) It was observed that a member of management reviewed and initialed all reconciliations tested, however, a date was not observed on three reconciliations.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

   i. Employees responsible for cash collections do not share cash drawers/registers;

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

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

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

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and

   Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

   i. Observe that receipts are sequentially pre-numbered.
   ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
   iii. Trace the deposit slip total to the actual deposit per the bank statement.
   iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).
   v. Trace the actual deposit per the bank statement to the general ledger.

Results: Exceptions were noted for items:

(C) We did not observe a bond nor insurance policy for theft during the fiscal period.

(D)(iv) The District was not consistent with deposits being made within one day of receipt.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
   i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
   ii. At least two employees are involved in processing and approving payments to vendors;
   iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
   iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
   i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
   ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
   i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Exceptions were noted for items:

(B)(i) The selected credit card statement and supporting documents were not reviewed and approved before payment was made.

7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

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

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

   iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

9) Payroll and Personnel

A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

   i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

   ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

   iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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

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

Procedures performed. No exceptions noted.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Results: Exceptions were noted for items:

(A)(i) One of the five employees selected failed to demonstrate annual ethics training was completed.

11) Debt Service

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

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

The District had no outstanding debt this fiscal period.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

   i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

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

v. Amount of time it took to resolve each complaint.

Results: Exceptions were noted for items:

(A) One of the five employees failed to demonstrate annual sexual harassment training was completed.

(B) The District's website had no posting of its sexual harassment policy or complaint procedure

(C) The District did not prepare the annual sexual harassment report with the required elements for the current fiscal period.

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

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

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 29, 2023

PLAQUEMINES PORT
HARBOR & TERMINAL DISTRICT

June 29, 2023

Edward L. Camnetar Jr
2550 Belle Chasse Hwy
Suite 170
Gretna, LA 70053

Dear Mr. Camnetar:

The following outlines the action to be taken by the Plaquemines Port, Harbor & Terminal District regarding the observations made to you by our auditor, Camnetar & Co., CPAs (APAC), in the report dated June 30, 2023, regarding the results of the agreed-upon procedures engagement.

MANAGEMENT'S RESPONSE TO AUP OBSERVATIONS

(1)(A)(xi) Information Technology Disaster Recovery/Business Continuity Policy

Management will adopt, with Board approval, an Information Technology Disaster Recovery/Business Continuity Policy, which outlines the steps required in a disaster recovery process.

(1)(A)(xii) Sexual Harassment Policy

Management has a Sexual Harassment Policy on page 22 of its Policy and Procedures Manual. This manual will be posted on the Port's website within 30 days.

(3)(A)(i) Timely Bank Reconciliations

Management acknowledges that it will modify its policies to include completing bank reconciliations by 15 days after the last day of the previous month.

(3)(A)(ii) Bank Reconciliations Not Dated

Management will modify procedures to ensure all bank reconciliations are reviewed timely, approved, and dated.

(4)(C) Theft Insurance Bond/Policy

Management has contacted the District's insurance agent to request an application for a policy to cover theft.

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(4)(D) Timely Bank Deposits

Management will review and modify its procedures to ensure all bank deposits are made within one day of receipt.

(6)(B)(i) Credit Card Statement not Reviewed and Approved

Management will evaluate the current procedures regarding the approval of travel card statements to ensure the proper approval of these transactions before payment being made.

(10)(A)(i) Ethics Training Completion

Management will modify its procedures to ensure compliance with the mandated ethics training.

(14)(A) Sexual Harassment Training Completion

Management will develop a policy and modify its procedures to ensure compliance with mandated sexual harassment training.

(14)(B) Sexual Harassment Policy/Complaint Procedure not Posted on Website

Management has a Sexual Harassment Policy on page 22 of its Policy and Procedures Manual. This manual will be posted on the Port's website within 30 days.

(14)(C) Annual Sexual Harassment Report

Management will modify its procedures to ensure the preparation of the annual sexual harassment report with the required elements.

6/29/23

Charles Tillotson
Executive Director