PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Plaquemines Port, Harbor, & Terminal District

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

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, 2021, 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 the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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

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

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* on pages 4-10 and 53-55, be presented to supplement the basic financial statements. Such information is the responsibility of the 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 District's basic financial statements. The accompanying Schedule of Compensation, Benefit and Other Payments to Agency Head or Chief Executive Officer is 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, Schedule of Compensation, Benefit and Other Payments to Agency Head or Chief Executive Officer is 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 January 20, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plaquemines Port Harbor & Terminal District's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
January 20, 2023

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

The Plaquemines Port Harbor & Terminal District's discussion and analysis provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. 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.

Financial Highlights

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows (net position) by $63,777,645 as of December 31, 2021.

- The District's net position increased by $1,036,282 for the year ended December 31, 2021.

- The District's total assets increased by $1,356,345, or approximately 1.7% primarily due to a decrease in cash offset by increases in accounts receivable, net pension asset, and receivable rights fee-IP. This decrease in assets is primarily due to:

    - A decrease of cash of $2,763,434. This decrease was primarily due to:
        - The increase in cash used in operating activities. $1,500,000 of the increase in cash used in operating activities is related to the interagency service fee paid to Plaquemines Parish Government for ferry operations and maintenance
        - In 2020, the District received grant proceeds restricted for the WRDA dredging project with Plaquemines Parish Government. The monies for the dredging project were spent in 2021.
    - An increase in net pension asset of $637,714 compared to the prior year.
    - An increase of $3,250,000 in Rights Fee Receivable – IP pursuant to the agreement the District signed with Sustainability Partners in 2021.

- The District's total liabilities increased by $393,307 or 10.4% primarily due to increase in the other post-employment benefits liability and increase in the pilot liability.

- During the year, the District's total operating revenue increased $499,659 or 10.5%, to $5,270,874 from the prior year while operating expenses increased $1,231,649 or 16.0% to $8,912,251. The District had a loss from operations of $3,641,377 an increase of 25.2% from the prior year.
    - The District's interagency fees as charged by Plaquemines Parish Government and budgeted by the Board of Commissioners increased by $1,653,558 from prior year. This increase is primarily due to the District assisting the Plaquemines Parish Government with ferry operations and maintenance cost it had not assisted with in prior years.

    - During the fiscal year, the District's depreciation expense decreased 4.4% from prior year due to the District's assets being fully depreciated.

    - The District had a 11.4% decrease in salaries and related expenses due to a reduction in net pension and other post-employment benefit expenses for the year.

Overview of the Required Financial Statements

This discussion and analysis serve as a basic introduction into the District's financial statements. The District'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 the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

All 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 the District's operations over the past year and can be used to determine whether the District has been able to recover 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 the District's cash from operations, investing, and financing and to provide answers to questions such as where cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

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

Financial Analysis of the District

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

Net Position

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

- Total assets increased by $1,356,345, total liabilities increased by $393,307, total deferred outflows of resources increased by $184,803 and total deferred inflows of resources increased by $111,559. Attributions of these changes were discussed in the financial highlights noted above.

Financial Analysis of the District (continued)

Table 1
Plaquemines Port, Harbor & Terminal District
Condensed Statements of Net Position
As of December 31, 2021 and 2020

	2021	2020	Dollar Change	Percent Change
Assets				
Total current assets	$20,810,970	$ 23,348,368	$ (2,537,398)	-10.9%
Capital assets - net	57,756,135	57,750,106	6,029	0.0%
Other noncurrent assets	3,887,714	-	3,887,714	100.0%
Total assets	82,454,819	81,098,474	1,356,345	1.7%
Deferred Outflows of Resources				
Deferred outflow pension	706,195	565,729	140,466	24.8%
Deferred outflow OPEB	44,337	0	44,337	--
Total deferred outflows of resources	750,532	565,729	184,803	32.7%
Liabilities				
Current liabilities	1,169,415	1,000,814	168,601	16.8%
Non-current liabilities	2,992,190	2,767,484	224,706	8.1%
Total liabilities	4,161,605	3,768,298	393,307	10.4%
Deferred Inflows of Resources				
Unearned grant revenue	3,393,432	2,701,720	691,712	100.0%
Unearned ground lease revenue	5,971,314	10,184,104	(4,212,790)	-41.4%
Deferred inflow - Rights Fee IP	3,236,458	0	3,236,458	#DIV/0!
Deferred inflow pension	1,320,746	790,152	530,594	67.2%
Deferred inflow OPEB	1,344,151	1,478,566	(134,415)	0.0%
Total deferred inflows of resources	15,266,101	15,154,542	111,559	0.7%
Net Position				
Invested in capital assets, net of related debt	57,756,135	57,428,487	327,648	0.6%
Restricted for land fund	3,496,852	2,669,472	827,380	31.0%
Restricted for relocation project	294,281	663,654	(369,373)	-55.7%
Restricted for maintenance	64,134	67,949	(3,815)	-5.6%
Unrestricted	2,166,243	1,911,801	254,442	13.3%
Total Net Position	$63,777,645	$ 62,741,363	$ 1,036,282	1.7%

Financial Analysis of the District (continued)

Summary of Revenue and Expenses

During the year, the District's net position increased by $1,036,282 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, 2021 and 2020

	2021	2020	Dollar Change	Percent Change
Operating Revenue				
Charges for services, net	$ 5,270,874	$ 4,771,215	$ 499,659	10.5%
Total operating revenue	5,270,874	4,771,215	499,659	10.5%
Operating Expenses				
Salaries and related expenses	3,342,989	3,771,208	(428,219)	-11.4%
Supplies, contract services, materials and other expenses	2,217,751	2,173,612	44,139	2.0%
Interagency service fee	2,536,649	883,091	1,653,558	187.2%
Depreciation & amortization	814,862	852,691	(37,829)	-4.4%
Total operating expenses	8,912,251	7,680,602	1,231,649	16.0%
Operating Income (Loss)	(3,641,377)	(2,909,387)	(731,990)	25.2%
Nonoperating Revenue (Expense)				
Ad valorem tax revenue, net	(40,480)	11,358	(51,838)	-456.4%
Ground lease extension payment	-	2,000,000	(2,000,000)	-100.0%
Right of way, intergovernmental	-	6,993	(6,993)	-100.0%
Lease revenue	4,434,370	219,712	4,214,658	1918.3%
Usage right expense	(54,345)	-	(54,345)	-
Rights fee-IP revenue	13,542	-	13,542	-
Grant revenue & expenses	278,119	85,314	192,805	226.0%
Interest income	2,754	50,069	(47,315)	-94.5%
Other income	9,920	9,962	(42)	-0.4%
Gain (Loss) on disposal of assets	3,202	-	3,202	0.0%
Inter-governmental revenue, pension	30,577	29,245	1,332	4.6%
Total nonoperating revenue (expense)	4,677,659	2,412,653	2,265,006	93.9%
Change in net position	1,036,282	(496,734)	1,533,016	-308.6%
Net position - beginning of year	62,741,363	63,238,097	(496,734)	-0.8%
Net position - end of year	$ 63,777,645	$ 62,741,363	$ 1,036,282	1.7%

Financial Analysis of the District (continued)

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

- Operating revenue increase by $499,659 or 10.5% due an increase of activity at the facilities located within the District due to the economy returning from negative impacts caused by the 2020 COVID-19 Global Pandemic.
- The increase in operating expenses is due primarily to the increase in interagency services charges related to Plaquemines Parish Government as noted in the prior financial highlights.
- The increase in non-operating revenue is due to:
    - An increase in lease revenue of $4,214,658 due to the execution of the ground lease with Venture Global Plaquemines LNG, LLC.
    - An increase in other revenues grant revenue of $192,805.
    - An decrease in interest revenue of $ 47,315.
    - Ad valorem tax revenue decreased by $ 51,838. The District wrote down the ad valorem receivable for prior tax years to zero, as collection is unlikely.

Budget

Annually the District adopts an Operating Budget for best practice internal controls. The District is not required to report a budget according to the Local Government Budget Act. The District's operational expenses are balanced by 80% of its expected operating revenues.

Source of Revenue

Operating

All vessels engaged in foreign, 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 to assist in defraying necessary and essential, 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 2021 the District's sources of non-operating revenue consisted of multiple sources.

- The District receives PILOT revenue from a lease agreement with Plaquemines Liquid Terminals for leasing property in Point Celeste, Louisiana. The District plans to distribute this revenue upon legislation approval by the Port Commissioners to other tax agencies. The District reports a liability shown on the statement of net position of $419,652 related to the PILOT revenue collected.

- The District 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.

- The District receives monthly lease payments from Marine Spill Response Corporation for the propose of leasing a warehouse, dock facilities and parking area located at Fort Jackson, Louisiana.

- The District received lease income from an agreement with Venture Global Plaquemines LNG, LLC for leasing property located in Point Celeste, Louisiana.

- The District was awarded 2018-2021 federal port security grants for numerous Port Security projects.

Capital Assets

During the year, the District invested $822,940 in capital assets, see table below. In the fiscal year 2021, the District completed one land acquisition worth $356,742. The District invested $404,634 in projects it plans to complete in the next 5 years. The District made major improvements to one of its rescue vessels in the amount $55,645. The District also invested $5,919 in Machinery and Equipment.

	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets, not depreciated				
Land	$ 48,643,409	$ 356,742	$ -	$ 49,000,151
Construction in progress	655,863	404,634	-	1,060,497
Total Capital assets, not deprecitated	49,299,272	761,376	-	50,060,648
Capital assets, being depreciated				
Buildings	5,055,556	-	-	5,055,556
Land Improvements	138,138	-	-	138,138
Improvements other than buildings	713,438	55,645		769,083
Machinery and Equipment	13,342,967	5,919	(20,485)	13,328,401
Less Accumulated Depreciation	(10,799,265)	(814,862)	18,436	(11,595,691)
Total Capital assets, being depreciated	8,450,834	(753,298)	(2,049)	7,695,487
Total Capital Assets, net	$ 57,750,106	$ 8,078	$ (2,049)	$ 57,756,135

Economic Factors and Next Year's Budget and Rates

The Plaquemines Port, Harbor & Terminal District 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 the District in July 2021 for 632 acre parcel in addition to a ground lease for a laydown area of 80 acres.

- On January 13, 2022 the District 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—the District has been awarded four port security grants for various port security projects to begin in 2022 in the amount of $455,781.

- Port Development—the District will continue to work towards its strategic goal to becoming a landlord port.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact Chambrel Riley-Williams, CPA, Director of Finance, 8056 3rd Floor Highway 23, Belle Chasse, LA 70037.

FINANCIAL STATEMENTS

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 4,999,590
Investments	880,414
Trade receivables, net of allowance	1,700,830
Other receivables	3,490
Grant receivable	155,571
Prepaid expenses	18,039
Restricted current assets	
Cash and cash equivalents	13,053,036
Total Current Assets	20,810,970
NON CURRENT ASSETS	
Capital assets, net of accumulated depreciation	57,756,135
Net pension asset	637,714
Receivable - Rights Fee IP	3,250,000
Total Non Current Assets	61,643,849
TOTAL ASSETS	82,454,819
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow pension	706,195
Deferred outflow OPEB	44,337
TOTAL DEFERRED OUTFLOWS OF RESOURCES	750,532
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	523,757
Accrued expenses	226,006
PILOT liability	419,652
Total Current Liabilities	1,169,415
NON CURRENT LIABILITIES	
Compensated absences	145,731
Other post employment benefits payable	2,846,459
Total Non Current Liabilities	2,992,190
TOTAL LIABILITIES	$ 4,161,605

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

DEFERRED INFLOWS OF RESOURCES		
Unearned grant revenue	$	3,393,432
Unearned ground lease revenue		5,971,314
Deferred inflow of rights fee - IP		3,236,458
Deferred inflow pension		1,320,746
Deferred inflow other post-employment benefits		1,344,151
TOTAL DEFERRED INFLOWS OF RESOURCES		15,266,101
NET POSITION		
Invested in capital assets, net of related debt		57,756,135
Restricted for land fund		3,496,852
Restricted for relocation project		294,281
Restricted for maintenance		64,134
Unrestricted		2,166,243
TOTAL NET POSITION	$	63,777,645

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, 2021

OPERATING REVENUES	
Charges for services, net	$ 5,270,874
TOTAL OPERATING REVENUES	5,270,874
OPERATING EXPENSES	
Advertising	8,075
Depreciation	814,862
Dues and subscriptions	56,471
Fuel	177,032
Insurance	384,391
Interagency service charge	2,536,649
Legal fees	184,272
Materials and supplies	131,330
Other office charges and supplies	140,699
Professional service fees	676,874
Professional service fees, BUDMAT dredging	24,150
Rentals and leases	114,597
Repairs and maintenance	103,644
Salaries and related expenses	3,342,989
Technical services	105,000
Travel	25,211
Utilities and communications	86,005
TOTAL OPERATING EXPENSES	8,912,251
OPERATING INCOME (LOSS)	(3,641,377)
NON-OPERATING REVENUES (EXPENSES)	
Ad valorem tax revenue bad debt expense	(40,480)
PILOT revenue	136,585
PILOT revenue sharing expense	(136,585)
Lease revenue	4,434,370
Usage right expense - service concession agreement	(54,345)
Rights fee-IP revenue	13,542
Grant revenue	536,807
Grant expense, intergovernmental WRRDA dredging	(258,688)
Interest income	2,754
Other revenue	9,920
Gain or (loss) on sale of asset	3,202
Inter-governmental revenue, pension	30,577
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,677,659
CHANGE IN NET POSITION	1,036,282
Total net position, beginning of year	62,741,363
Total net position, end of year	$ 63,777,645

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 4,893,915
Cash payments to employees for employee related costs	(3,561,432)
Cash payment to suppliers for operating expenses	(4,587,508)
Net cash provided (used) from operating activities	(3,255,025)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant income	1,206,197
Grant expenses	(258,688)
Lease income	221,580
Usage right expense - service concession agreement	(54,345)
PILOT income	136,585
Intergovernmental revenue, pension	30,577
Miscellaneous	25,026
Net cash provided from non-capital financing activities	1,306,932
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of assets	3,202
Purchase of capital assets	(820,891)
Net cash provided (used) from capital and related financing activities	(817,689)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest income received	2,754
Purchase of investments	(406)
Net cash provided by investing activities	2,348
Net increase (decrease) in cash and cash equivalents	(2,763,434)
CASH AND CASH EQUIVALENTS, beginning	20,816,060
CASH AND CASH EQUIVALENTS, ending	$ 18,052,626
Cash as shown on the Statement of Net Position:	
Unrestricted Cash	$ 4,999,590
Restricted Cash	13,053,036
Total Cash and Cash Equivalents, end of year	$ 18,052,626

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

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Loss	$ (3,641,377)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	814,862
(Increase) Decrease in Assets:	
Trade receivables	(376,959)
Prepaid expenses	118,066
Net pension asset & deferred outflows	(778,180)
Post employment benefits obligation - deferred outflows	(44,337)
Increase (Decrease) in Liabilities:	
Compensated absences	(21,941)
Net pension liability & deferred inflows	513,582
Post employment benefits obligation & deferred inflows	129,244
Accounts payable and accrued expenses	32,015
Net cash flows provided by operating activities	$ (3,255,025)

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 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 consists 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 vacation is accrued as an expense of the period in which incurred. Employees of the District earn vacation 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 general leave earned.

At December 31, 2021, employees have accumulated and vested $145,731 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 not 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 $2,846,459 as of December 31, 2021.

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.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2021, the District has cash and cash equivalents (book balances) totaling $ 18,052,626 as follows:

Unrestricted		
Demand deposits	$	4,999,590
Total unrestricted cash		4,999,590
Restricted		
Land		3,496,852
Designated for relocation project		294,281
Designated for land maintenance		64,134
Designated for dredging project		3,393,432
Land acquisition phase I		5,804,337
Total restricted cash		13,053,036
Total amount of Cash & Cash Equivalents	$	18,052,626

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.

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, 2021, the District had $11,654,695 in deposits and $6,636,169 in deposits in a control deposit account (collected bank balances). These deposits are secured from risk by $500,000 of federal deposit insurance and $ 18,058,368 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.

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Supplemental cash flow disclosure:
For the year ended December 31, 2021, the District had no noncash investing and financing transactions.

NOTE 3 – INVESTMENTS

At December 31, 2021, the District's unrestricted investments in the Louisiana Asset Management Pool (LAMP) totaled $880,413. 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 having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. 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.

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.

NOTE 3 – INVESTMENTS (continued)

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, 2021, 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 $18,039 primarily include membership dues in future years.

NOTE 5 – TRADE RECEIVABLE

The District's trade receivable account totaled $2,072,577 for the year ended December 31, 2021. The District's cumulative allowance for doubtful accounts was $371,747.13 at year end which resulted in a net trade receivable of $1,700,830 for the year ended December 31, 2021.

An allowance for uncollectible accounts is estimated and recorded based upon the District's historical experience. For the year ended December 31, 2021, the District recorded bad debt expense related to trade receivables of $116,027.

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 2021, the District did not levy an ad valorem tax.

Ad valorem tax receivable

In the years 2014, 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 receivable account totaled $496,184 for the year ended December 31, 2021 for the prior assessment (2014 through 2017.)

During the year ended December 31, 2021, the District did not recover any outstanding ad valorem assessments.

NOTE 6 - AD VALOREM TAX RECEIVABLE AND REVENUE (continued)

The District's cumulative allowance for uncollectible receivables was adjusted to $496,184 at year end which resulted in a net ad valorem tax receivable of $0 for the year ended December 31, 2021.

Any amounts collected from the ad valorem tax levy are utilized for the purpose of reimbursing the District's operating funds used to retire the bond payable.

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's incurred GIS, MSOC and CBRNE expenses for October 2021, November 2021, and December 2021 qualified for reimbursement. The Port received the reimbursement in May 2022. The amount of the receivable due from FEMA is $45,897 at December 31,2 021.

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 of the receivable due from FEMA at December 31, 2021, is $109,674.

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2021, is as follows:

	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets, not depreciated				
Land	$ 48,643,409	$ 356,742	$ -	$ 49,000,151
Construction in progress	655,863	404,634	-	1,060,497
Total Capital assets, not deprecitated	49,299,272	761,376	-	50,060,648
Capital assets, being depreciated				
Buildings	5,055,556	-	-	5,055,556
Land Improvements	138,138	-	-	138,138
Improvements other than buildings	713,438	55,645		769,083
Machinery and Equipment	13,342,967	5,919	(20,485)	13,328,401
Less Accumulated Depreciation	(10,799,265)	(814,862)	18,436	(11,595,691)
Total Capital assets, being depreciated	8,450,834	(753,298)	(2,049)	7,695,487
Total Capital Assets, net	$ 57,750,106	$ 8,078	$ (2,049)	$ 57,756,135

Depreciation charged for the year ended December 31, 2021, was $814,862.

Land Purchase

On July 22, 2021, the District adopted Ordinance #21-74, authorizing Maynard J. Sanders, Executive Director to purchase land owned by Raynold Thompson. The property was purchased for $260,869 plus settlement cost and other closing cost of $8,472. The District also adopted Ordinance #21-75 , authorizing the purchase of land from Numa C. Hero & Son. The property was purchased for $80,595 plus settlement cost and other closing cost of $6,807.
All land was purchase to continue development of the Port.

Improvements other than buildings

In April 2021, the District began a major repair to its Authority II fire and rescue vessel in the amount of $55,645.

Construction in progress

Construction in progress- B-3 relocation

In 2017, the District commissioners approved a 5-year capital improvement project for the relocation of a business due to the need of continuous river frontage for port development. From 2017-2020 the Port invested $630,953 for engineering, permitting, and legal expenses related to the relocation. In 2021 the District invested an additional $338,373 for related expenses. This project is expected to be completed in the 1st quarter of 2024.

NOTE 8 – CAPITAL ASSETS (continued)

Construction in progress- Security barge

The District was awarded a 2018 Port Security Grant in the amount of $308,000 for a new security barge. The barge was purchased in June 2021 for $65,000 plus moving expenses of $900. The barge required additional improvements to be completed in 2022.

Construction in progress- Land Purchase

The District began the purchase of Lot 60A with an abstract in the amount $361. The purchase was completed in 2022.

NOTE 9 – ACCRUED EXPENSES

Certain payments to vendors have been accrued in the account as they relate to 2021 activity. These payments will be made following the year end December 31, 2022. The amount of accrued expenses at year end December 31, 2021, was $223,879.

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.

NOTE 10 - POST EMPLOYMENT BENEFITS (continued)

Employees covered by benefit terms – As of the measurement date December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	45
Total	48

Total OPEB Liability

The Port's total OPEB liability is $2,846,459 as of the measurement date December 31, 2021, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2021 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	3.0%, including inflation
Discount rate	2.12% annually (Beginning of Year to Determine ADC)
	2.06%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2021.

Changes in the Total OPEB Liability

Balance at December 31, 2020	$ 2,582,800
Changes for the year:	
Service cost	205,423
Interest	56,933
Differences between expected and actual experience	19,012
Changes in assumptions	29,759
Benefit payments and net transfers	(47,468)
Net changes	263,659
Balance at December 31, 2021	$ 2,846,459

NOTE 10 - POST EMPLOYMENT BENEFITS (continued)

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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
	1.06%	2.06%	3.06%
Total OPEB liability	$3,454,664	$2,846,459	$2,371,153

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	Current Trend	1.0% Increase
	4.50%	5.50%	6.50%
Total OPEB liability	$2,331,827	$2,846,459	$3,525,055

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

For the year ended December 31, 2021, the Port recognized OPEB expense of $132,374. At December 31, 2021, 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	$ 17,283	$ (1,172,317)
Changes in assumptions	27,054	(171,834)
Total	$ 44,337	$ (1,344,151)

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:		
	2022	(129,981.00)
	2023	(129,981.00)
	2024	(129,981.00)
	2025	(129,981.00)
	2026	(129,981.00)
Thereafter		(649,909.00)

NOTE 11 – PENSION PLAN

Plan Description

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.

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, 2020, 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	7,873	985	8,858
Inactive plan members entitled to but Not yet receiving benefits	9,200	1,999	11,199
Active members	13,750	2,387	16,137
Total Participating as of the Valuation Date	30,823	5,371	36,194

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, 2020. 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.

NOTE 11 – PENSION PLAN (continued)

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

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.

NOTE 11 – PENSION PLAN (continued)

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.

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 individuals 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 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.

<u>Contributions</u>

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.

NOTE 11 – PENSION PLAN (continued)

According to State statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A and 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2020 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.

The District's employer and employee contributions to PERS for the measurement date fiscal year ended December 31, 2020 were as follows:

Source		Contribution Amount	Covered Payroll	Percent of Covered Payroll
Employee	$	237,894	2,504,149	9.5%
Employer		306,758	2,504,149	12.25%
	$	544,652		

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

At December 31, 2021, the District reported an asset of $637,713 for its proportionate share of the PERS Net Pension Liability/Asset (NPL/A). The NPL/A for PERS was measured as of December 31, 2020, 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, 2020, the most recent measurement date, the District's proportion was 0.363698%, an increase 0.00230% from the December 31, 2019 proportion.

For the year ended December 31, 2021, the District recognized a total pension expense of $85,535. This amount was made up of the following:

Components of Pension Expense		Amount
District's pension expense per the PERS	$	82,013
District's amortization of actual contributions over its propottionate share of contribution		3,522
Total Pension Expense Recognized by the District	$	85,535

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	$ 155,261	$ 76,115
Differences between projected and actual investment earnings	-	1,244,631
Change in assumptions	208,640	-
Change in proprotionate share of the Net Pension Liability	14,351	-
Differences between the District's contributions and its proportionate share of contributions	8,387	-
District's contributions subsequent to the December 31, 2020 measurement date	319,556	-
	$ 706,195	$ 1,320,746

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date in the amount of $319,558 will be recognized as a reduction of the PERS NPL/A in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended December 31,	Amount of Amortization
2022	$ (259,490)
2023	$ (80,905)
2024	$ (392,643)
2025	$ (201,069)

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, 2020, are as follows:

Description	Assumptions / Methods
Valuation Date	December 31, 2020
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, 2020.

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, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	100%	5.00%
Inflation		2.00%
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 2020		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
District's Proportionate Share of the Net Pension Liability (Asset)	$1,337,098	($637,713)	($2,291,576)

Pension Plan Fiduciary Net Position

The components of the net position liability(asset) of PERS employers as of December 31, 2020, are as follows:

	Plan A	Plan B
Total Pension Liability	$ 4,385,659,960	$ 379,984,366
Plan Fiduciary Net Position	4,561,001,343	405,656,961
Net Pension Liability (Asset)	$ (175,341,383)	$ (25,672,595)

Detailed information about PERS's fiduciary net position is available in the separately issued December 31, 2020 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, 2021, the District had $152,118 in payables to PERS for the related to the third and fourth quarter 2021 employee ($85,676) and employer ($66,442) 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, 2020 measurement date.

NOTE 12 – DEFERRED INFLOWS OF RESOURCES

The components of deferred inflows of resources are as follows:

Venture Global Plaquemines LNG, LLC	$	5,804,337
Highpoint Gas Transmission, LLC		134,015
Grant Revenue		3,393,432
Plaquemines Parish Government		32,962
Total Deferred Inflows of Resources	$	9,364,747

<u>Venture Global Plaquemines LNG, LLC</u>

On August 19, 2015, the District entered into an option lease agreement with Venture Global Plaquemines LNG, LLC (VG) for the opportunity to lease the 632 acres of the District's property located in Point Celeste, LA for the purpose of constructing and operating a multi-purpose energy terminal facility. The irrevocable and exclusive option to lease the property contains three option periods. The initial option period was granted on August 19, 2015. The District received $1,000,000 of option revenue at that time. The initial option period is twelve months from the date of the executed agreement. The two subsequent option periods extend the initial option period if deemed necessary by VG. These two subsequent option periods are subject to payments of (1) $1,500,000 and (2) $2,000,000 payable to the District if exercised. In 2016, the District received $1,500,000 in option revenue due to VG exercising the second option period.

In 2015, the District received $5,000,000 in advance rent payments from VG. For the year ended December 31, 2016, the District received an additional $5,000,000 in advance rent payments from VG.

In 2017, VG exercised the option period and the District received $2,000,000 of additional option revenue. Ordinance #17-119 authorized the District to Amend the 2015 Option to Lease Agreement with VG for the mutual benefit of both parties. The amendment included an option for VG to lease a laydown area for a term up to five (5) years similar to terms in the Ground Lease. The amendment also amended the terms for the District's receipt of advance rent payments. The advance rent payments have been postponed by the agreement. The District must acquire title to properties comprising Parcel 3 in order for the advance rent payments of $5,000,000 to continue.

On September 27, 2018, ordinance #18-125 was adopted to extend the amendment authorized by ordinance #17-119. The District did not receive an advance rent payment in 2018 due Ordinance #18-125.

On August 16, 2019, VG exercised its rights under the Option Agreement and the District received an option payment of $2,000,000.

At December 31, 2019, the District has $10,000,000 of deferred inflows of resources from advance rent payments.

A restricted account was established for depositing the advance rent payments, and disbursements subject to approval of funds by VG, granting a security interest in proceeds in the event of default by the District. The payments are allowed for acquiring property. If the District chooses not to

NOTE 12 – DEFERRED INFLOWS OF RESOURCES (continued)

acquire property, the advance rent payments must simply remain in the restricted account, to be offset against future rent payments, as they become due in the event a ground lease becomes active.

On July 19th, 2021 Venture Global and the District executed the ground lease for parcel 2 and a laydown area. Parcel 2 lease payments totaled $4,002,181 for 2021. The laydown area lease payments totaled $505,810 for 2021. On August 14, 2020 Venture Global Plaquemines LNG, LLC issued a written notice to the Port under the option agreement of the Project Company's intention to exercise its option under the option agreement to enter into the Ground Lease for the project site. Venture Global Plaquemines LNG, LLC exercised its option to extend the closing date for the Project Site and the Laydown area by 365 days to September 14,2021. In exchange for such extension the Project Company paid two-million dollars ($ 2,000,000) (the Extension Payment) to the Port. In the event the closing date occurs prior to September 14,2021 the extension payment will be prorated in accordance with the option agreement. Due to the July 19th, 2021 execution date there was a $312,329 extension payment credit granted.

On December 31, 2021, the District had a net deferred inflow of resources from advance rent in the amount of $5,804,338.

Highpoint Gas Transmission, LLC

Ordinance #15-145 authorized Plaquemines Port, Harbor and Terminal District to approve a pipeline right-of-way agreement with Highpoint Gas Transmission, LLC to construct and operate a gas pipeline across the District's owned property. The agreement is for twenty (20) years with the option to renew and extend the agreement for an additional period of twenty (20) years. Terms also stated, Highpoint shall pay the District the cost of the lease in full prior to the first day of the primary term. The one rental payment is based on annual rental fee of $35 per rod for a pipeline set by Ordinance #03-55 adopted on April 10,2003.

The annual fee for the agreement is $9,573 which equates to 274 rods times $35. The District received the entire 20-year rental fee of $191,450 on January 5, 2016. For the year ended December 31, 2021, the District recognizes $134,015 in unearned lease revenue.

Plaquemines Parish Government

On May 8, 2020 Plaquemines Parish Government in pursuant to Ordinance #17-156, dated November 9,2017 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 31,2021, the District recognizes $4,813 of right of way revenue and $32,962 in unearned right of way revenue.

NOTE 12 – DEFERRED INFLOWS OF RESOURCES (continued)

Grant Revenue

On July 16, 2019 the Port Board approved Resolution #19-193 authorizing the Executive Director 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.

On June 9, 2020 the District received $2,717,720 from the USA Corps of Engineers. For the year end December 31, 2020, the District in collaboration with Plaquemines Parish Government incurred $16,000 of expenses during 2020.

On February 19,2021the District received $950,400 from the USA Corps of Engineers. For the year end December 31,2021 the District in collaboration with Plaquemines Parish Government incurred $258,688 of expenses during 2021.

At December 31,2021 the District had $3,393,432 of unearned grant revenue.

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 2021, the District earned $136,585 in PILOT (payment in lieu of taxes) revenue. This amount is based on total ad valorem tax due that would have been due had the Plaquemines Liquid Terminals owned the property. The payment was received on December 23, 2021. 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 2021 in the amount of $419,652. Upon completion of CEAs the District will distribute PILOT payment to taxing bodies.

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

Contingent Liababilty- PILOT

2018 PILOT payment	$	15,998
2019 PILOT payment	$	132,120
2020 PILOT payment	$	134,949
2021 PILOT payment		136,585
Ending Continget Liability	$	419,652

NOTE 14 – NONCURRENT LIABILITIES

Change in Noncurrent Liabilities

Noncurrent liabilities activity for the year ended December 31,2021, is as follows:

	December 31,2020	Additions	Reductions	December 31,2021	Due within one year
OPEB	$ 2,582,800	$ 263,659	$ -	$ 2,846,459	$ -
Net Pension Liability	$ 17,012	$ -	$ (17,012)	$ -	$ -
Accumulated Compensated Absence	$ 167,672	$ -	$ (21,941)	$ 145,731	$ -

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. May 27, 2021, Ordinance 21-51 appropriated $250,000 from the land fund for engineering for upgrades to Plaquemines Parish Waterline and Booster Station. Activity for the restricted land fund for the year ended December 31, 2021, is described below:

Balance, January 1, 2021	$ 2,669,472
Additions:	
Current year restrictions 20%	1,077,380
Appropriations:	
Ordinance #21-51 Upg Waterline & Booster Station	(250,000)
Balance, December 31,2021	$ 3,496,852

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. The available balance at December 31,2021, was $294,281.

Balance, January 1,2021	$ 663,654
Additions:	
Current year restrictions	$ -
Reductions	
Current year expenditures	$ (369,373)
Balance, December 31,2021	$ 294,281

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. The available project balance at December 31, 2021, was $64,134.

Balance, January 1,2021	$ 67,949
Additions:	
Current year restrictions	$ -
Reductions	
Current year expenditures	$ (3,815)
Balance, December 31,2021	$ 64,134

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 service revenue for the year ended December 31, 2021, can be categorized as follows:

Description	Amount
Security- Harbor	$ 129,914.96
Security- Cargo	2,141,935
Harbor Fee	1,012,078
Docking Fee	270,586
Supplemental Harbor Fee	1,832,143
Minimum Charges	244
Less: Allowance for Bad Debts	(116,027)
Total Servie Revenue	$ 5,270,874.26

NOTE 17 – LEASE REVENUE

Lease revenue for the year ended December 31, 2021, is made up of the following:

Warehouse and Dock	
Marine Spill Response Corporation	$ 212,580.00
Property	
Highpoint Gas Transmission LLC	9,572
B3 Access Property	3,000
Phylway	6,000
Venture Global Plaquemines LNG, LLC	4,195,663
Total Lease Revenue	$ 4,426,815.00

Lease revenue – warehouse, dock, and parking area

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 increase by 10% every 60 months. The unrelated party currently agrees to pay the District a sum of $17,715 monthly for year 2021. Payments are due the first day of each month. Total rental income for 2021 is $212,580.

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 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.

The annual lease revenue for this agreement is $9,572 based on 273.5 rods times $35.00.

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 2021 for this mentioned property is $3,000.

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 for $500 per month. Lease revenue for 2021 for this mentioned property is $6,000.

NOTE 17 – LEASE REVENUE (continued)

Venture Global Plaquemines LNG, LLC

On July 19th, 2021, Venture Global and the District executed the ground lease for parcel 2 and a laydown area. Parcel 2 lease payments totaled $4,002,181 for 2021. The laydown area lease payments totaled $505,810 for 2021. On August 14, 2020 Venture Global Plaquemines LNG, LLC issued a written notice to the Port under the option agreement of the Project Company's intention to exercise its option under the option agreement to enter into the Ground Lease for the project site. Venture Global Plaquemines LNG, LLC exercised its option to extend the closing date for the Project Site and the Laydown area by 365 days to September 14,2021. In exchange for such extension the Project Company paid two-million dollars ($ 2,000,000) (the Extension Payment) to the Port. In the event the closing date occurs prior to September 14,2021 the extension payment will be prorated in accordance with the option agreement. Due to the July 19th, 2021, execution date there was a $312,329 extension payment credit granted.

Net lease revenue for mentioned property for year-end December 31, 2021, is $4,195,663.

The following is a schedule of future minimum rental income for non-cancelable operating revenue leases as of December 31, 2021:

Year Ended December 31,	Amount
2022	212,580
2023	212,580
2024	212,580
2025	212,580
2026	233,832
	$ 1,084,152

NOTE 18 – OPERATING LEASES

In 2021, the District recognized office space rent expense of $70,800 and associated office space utility expense of $30,648 and rent expense for land of $13,215.

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 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. The District paid one year of property lease rental totaling $13,215.

NOTE 18 – OPERATING LEASES (continued)

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. Upon signing the agreement, the District paid one year of office space rental and utility payments totaling $101,448.

NOTE 19 - INTERAGENCY SERVICE CHARGE

Service Charge, Fire and Ambulance Service

On December 10, 2020, the District's Board of Commissioners (members of the Plaquemines Parish Council as governing authority) adopted the Districts' 2021 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 the Plaquemine Parish Government's expense budget for various departments. These departments included Civil Service, Plaquemines Parish Council, Plaquemines Parish Council Secretary, 911 Operations, Plaquemines Emergency Preparation, Plaquemines Parish Telecommunications, Firefighting, and Ambulance Services as seen in the chart below:

Plaquemines Parish Government Department	2021 Actual	Percent Charged to District	Amount Paid to Plaquemines Parish Government
911 Services	$ 431,965	15%	$ 64,795
Civil Service	164,439	8.00%	13,155
Council	905,875	20%	181,175
Council Secretary	168,512	20%	33,702
Emergency Prep	298,923	10%	29,892
Telecommunications	446,621	5.00%	22,331
Total	$ 2,416,335		$ 345,051

Plaquemines Parish Government Department	2021 Actual	Percent of Budget Charged to District	Amount Paid to Plaquemines Parish Government
Firefighting	$ 6,868,242	7.5%	$ 515,118
Ambulance Services	2,353,069	7.5%	176,480
Total	$ 9,221,311		$ 691,598

NOTE 19 - INTERAGENCY SERVICE CHARGE (continued)

The District paid a total of $345,051 for interagency service charges and $691,598 for Firefighting and Ambulance interagency service charges for a total of $1,036,648. 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.

Ferry Operations & Maintenance

On December 10, 2020, the District's Board of Commissioners (members of the Plaquemines Parish Council as governing authority) adopted the Districts' 2021 Operating Budget which included Interagency Service Charge expense in the amount of $1,500,000 for the aid in Ferry Operations. The fee amount was derived by the Plaquemines Parish Government.

There was no agreement between the District and Plaquemines Parish Government pertaining to the usage or details of payment schedule for the ferry department's maintenance and operations.

NOTE 20 – RAIL EXTENSION - SERVICE 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 by Maynard Sanders, Executive Director on March 24, 2021. Attached to the CEA was Exhibit 1 which outlined the general terms of the agreement.

On July 22, 2021 the Port Commissioners authorized Maynard Sanders, Executive Director to execute 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.

On July 23, 2021 Maynard Sanders, Executive Director, executed Exhibit 2 Service Addendum between the District and the SP Plaquemines Port, LLC (SP Entity).

The Exhibit 1 General Terms of the CEA defines a rights fee as an upfront fee paid to Customer (the District) for SP Entity to received limited but exclusive rights during the Units remaining useful life. SP Entity usage right if for the full control of the Units access and recipient of associated revenues should Customer (District) be in USA Payment default until cured. In consideration for this fee, Customer (District) will pay the USA Payments defined by the involved Exhibit 2 Service Addendum.

NOTE 20 – RAIL EXTENSION - SERVICE CONCESSION ARRANGEMENT - RIGHTS FEE AND REVENUE SHARING PAYMENTS (continued)

Accounting for the agreement and payments made under the agreement

The District has accounted for the Exhibit 2 Service Addendum as a service concession agreement which are 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.

Once all Rights Fee draw down phases are complete, the District will capitalize intellectual property valued at $8M and amortize over 40 years (480 months).

In the fourth quarter of 2021, SP made the initial Rights Fee draw down of $3.25M at which time the District recorded a Rights Fee-IP Receivable of $3,250,000 and a deferred inflow of resources –Rights Fee-IP of $3,250,000 which are both shown on the Statement of Net Position.

The District will amortize the Rights Fee-IP deferred inflow of resources (revenue) over 40 years as the drawn down phases are begun. The District recognized revenue of 2 months of the 480 months in the Statement of Activities.

In 2021 the District's total USA payments (made as usage rate payments, revenue sharing payments) totaled $54,345 for months November and December 2021. This fee was calculated based on Phase 1 Rights Fee drawn down of $3,250,000 as described in Exhibit 2 Service Addendum.

The District's Board of Commissioners did not budget a line item for this revenue sharing expense. The District had sufficient funds in its Operating Services & Supplies budget to cover the expense for 2021 displayed in table below.

Total Operating Services & Supplies Budget			
Total Budget	**Actual Expenditures**	**Budget Variance**	**Total Percent Remaining**
$2,281,671	1,896,949	384,723	17%

Events Subsequent to the year ended December 31, 2021

In May 2022, the District's Commissioners authorized Maynard Sanders, Executive Director to accept the Work Production Acceptance which closed Phase 1 and the Certificate of Acceptance which opens Phase 2, per the MUSA contract (Exhibit 2 Service Addendum) obligations with Sustainability Partners. Whereas, Phase 1 deliverables included the prefeasibility and survey documents necessary to complete the 10% design and subsequent permit application, it is the desire of this Council to accept Phase 1 and move to Phase 2 of the Rail Extension Project.

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, Plaquemines Parish Council, Plaquemines Parish Council Secretary, 911 Operations, Plaquemines Parish Telecommunications and emergency services relating to Plaquemines Parish Firefighting and Ambulance, and ferry maintenance and operations is based on percentage of use of total budget.

The Cooperative Endeavor agreement described in Note __- Deferred Inflows of Resources; Grant 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 – SUBSEQUENT EVENTS

Ferry Operations Transfer

On December 9, 2021 the District adopted Ordinance #21-116 authorizing and the Port Executive Director Maynard J. Sanders, to enter into a Cooperative Endeavor Agreement between the Plaquemines Port, Harbor and Terminal District and Plaquemines Parish Government for the transfer of certain rights, obligations, liabilities and assets related to ferry services as of January 1, 2022. It also established a Ferry Department in the Plaquemines Port, Harbor and Terminal District while accepting the transfer of employees from the Plaquemines Parish Government Ferry Department, all in accordance with Civil Service Rules.

NOTE 23 – SUBSEQUENT EVENTS (continued)

Plaquemines Land Ventures, LLC- Short-term lease agreement

On January 13, 2022 the District adopted Ordinance # 22-1 which authorized the Executive Direct to negotiate and enter into a short-term lease agreement and a separate option for a long-term lease agreement, with Plaquemines Land Ventures, LLC for approximately 523 acres of Port property. Lease revenue for mentioned short term lease for 2022 is $6,979,343.

Internal audit

On January 20, 2022 the internal auditor issued an audit notification in reference to Plaquemines Port, Harbor and Terminal District internal audit of the Port's Active Contracts and Agreements.

Litigation - Sustainability Partners, LLC

On August 25, 2022 the Port Commissioners approved Resolution No. 22-197 authorizing and directing Council Attorney, Dannie P. Garrett, III, and Port Attorney, Melessa Folse-Oubre, to work in conjunction to file, on behalf of the Plaquemines, Port, Harbor and Terminal District and the Plaquemines Parish Council, as sole governing authority of the District, a Petition for Declaratory Judgement.

The District seeks deceleration on the following items:

(1) as to whether the CEA between SP and the District is an instrument of public debt that was required to have been approved by the State Bond Commission in accordance with LRS 39:1410.60

(2) if the CEA is not an instrument of public debt, then what, if any obligations are imposed upon the District through the action of its legislative body, the Plaquemines Parish Council, acting as the sole governing authority of the District does not appropriate the funds in a given fiscal year otherwise called for under the terms of the CEA.

The petition was filed in the 25th Judicial District Court Parish of Plaquemines on September 19, 2022.

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, 2021

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

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, 2021

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%

*Amounts presented were determined as of the measurement date of December 31, 2020

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, 2021

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%

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, 2021

Agency Head	Maynard Sanders
Purpose	**Amount**
Salary	$ 210,596
Benefits- Insurance	29,227
Benefits- Retirement	25,856
Vehicle- Fuel	2,691
Vehicle-Fringe Benefits	599
Data/Wireless- Benefits	1,533
Conferences	-
Reimbursements	-
Travel (Hotel, Air, Car Rental, Taxi, Meals)	12,478
Special Meals	399
Total	$ 283,379

COMPLIANCE AND INTERNAL CONTROL SECTION

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

To the Board of Commissioners
Plaquemines Port, Harbor & Terminal District

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 business type activities of the Plaquemines Port Harbor & Terminal District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 20, 2023

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 an instance 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 responses as items 2021-1 and 2021-2.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and reponses. The 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District'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
January 20, 2023

We have audited the financial statements of the Plaquemine Port, Harbor & Terminal District as of and for the year ended December 31, 2021, and have issued our report thereon dated January 20, 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, 2021, 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
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, 2021, and therefore is exempt from the audit requirements under the Single Audit and the Uniform Guidance.

Section II Financial Statement Findings

A. Issues of Noncompliance

2021-1 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 - Grant of authority to parishes, municipalities, police juries, harbor districts and terminal districts to act jointly. Any parish, municipality or political subdivision of the state, or any combination thereof, may make agreements between or among themselves to engage jointly in the construction, acquisition or improvement of any public project or improvement, the promotion and maintenance of any undertaking or the exercise of any power, provided that at least one of the participants to the agreement is authorized under a provision of general or special law to perform such activity or exercise such power as may be necessary for completion of the undertaking. Such arrangements may provide for the joint use of funds, facilities, personnel or property or any combination thereof necessary to accomplish the purposes of the agreement, and such agreements may include but are not limited to activities concerning: (1) Police, fire and health protection.(2) Public utility services, such as water, electricity, gas, roads, bridges, causeways, tunnels, ferries and other highway facilities, and public transportation.

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.

Section II Financial Statement Findings (continued)

A. Issues of Noncompliance (continued)

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

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 $883,091 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

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.

2021-2 Delayed filing of Financial Statements

Criteria – The audit law (Louisiana RS 24:513 and 24:514 establishes the due dates of audit reports for local auditees including extension requests.

The Louisiana Legislative Auditor's current policies and procedures regarding extensions support its objective of assisting local auditees that are unable to submit their annual financial reports by the statutory due date through no fault of their own, while ensuring that their reports are submitted in as timely a manner as possible.

Condition - The District was unable to comply with the statutory deadline of June 30, 2022. The District applied for and received an emergency extension request to file the report by September 30, 2022. The District was unable to comply with the extended deadline.

Section II Financial Statement Findings (continued)

A. Issues of Noncompliance (continued)

2021-2 Delayed filing of Financial Statements

Cause – 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.

Effect – The District was unable to comply with the emergency extension deadline.

Recommendation – The District utilize its best efforts to comply with the statutory deadlines for submitting their annual audit reports to the Louisiana Legislative Auditor.

B. Significant Deficiencies

None

C. Material Weakness

None

Section III Management Letter

2021-3 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.

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 2021, the District entered into an agreement with Sustainability Partners which required revenue sharing payments.

Section III Management Letter (continued)

2021-3 Budgeting and Budget Amendments (continued)

Cause & Effect – 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. The District has not at this time in the 2022 budget accounted for the revenue sharing payments.

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

Section IV Federal Award Findings and Questioned Costs

Not applicable.

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

A. Issues of Noncompliance

None

B. Significant Deficiencies

None

C. Material Weakness

None

Section II – Management Letter

2020-1 Cooperative Endeavor Agreement (CEA) with Plaquemines Parish Government

Recommendation – As a best practice we recommend, the District enter into a cooperative endeavor agreement with the Plaquemines Parish Government regarding interagency service fees.

Status: Unresolved. See Compliance Finding 2021-1.

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. Issues of noncompliance

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

Management of the District acknowledges the auditor's finding regarding a written cooperative endeavor agreement. Moving forward, the District will engage in a written CEA for all expenditures and transfers between the District and the Plaquemines Parish Government for full transparency.

2021-2 Delayed filing of Financial Statements

Management of the District appreciates the Louisiana Legislative Auditor granting an emergency extension until September 30, 2022 for the filing our annual audit. Following a recent change of personnel in executive management positions, complex accounting issues, and the loss of our Comptroller the District did not meet the required deadline of September 30, 2022. The District has an outline of steps going forward to meet our future audit deadlines.

B. Significant Deficiencies

None

C. Material Weakness

None

Section II – Management Letter

2021-3 Budgeting and Budget Amendments

Management of the District is neither commenting or responding to the specifics of the SP agreement, however, the District recognizes, as a matter of best practice, the importance of budgets and budget amendments and will make note of this recommendation.

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

Not Applicable.

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Society of Louisiana Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To: 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, 2021 – December 31, 2021. 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, 2021 – December 31, 2021. 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:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (or report that the entity does not have any written policies and procedures), if applicable to public funds and the entity's operations:

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

   b) ***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.

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

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

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

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

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

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 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. Note: Ethics requirements are not applicable to nonprofits.

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

k) ***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.

l) ***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:

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

(l) Sexual Harassment. We did not observe a written policy that enumerated and annual employee training and reporting.

Board (or Finance Committee, if applicable)

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

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

   b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

   Results: No exceptions were noted as a result of this procedure.

Bank Reconciliations

3. 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:

   a) 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);

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

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

   Results: No exceptions were noted as a result of this procedure.

Collections (excluding electronic funds transfers)

4. 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).

   Results: No exceptions were noted as a result of this procedure.

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

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

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

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

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

   Results: No exceptions were noted as a result of this procedure.

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

   Results: No exceptions were noted as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, 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:

a) Observe that receipts are sequentially pre-numbered.

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

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

d) Observe 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).

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

Results: No exceptions were noted as a result of this procedure.

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

8. 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).

   Results: No exceptions were noted as a result of this procedure.

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

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

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

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

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

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

Results: No exceptions were noted as a result of this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

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

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

    Results: No exceptions were noted as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

    Results: No exceptions were noted as a result of this procedure.

12. 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:

    a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

       Results: Exceptions were noted. We observed late fees on the District's monthly credit card statement selected.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should

have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Exceptions were noted. Two transactions noted did not have receipts. One charge was for a car wash the District's vehicle. The second charge was for parking. The District did not practice the requirements for missing receipts, such as a "missing receipt statement".

Travel and Expense Reimbursement

14. 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, 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:

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

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

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

    Results: No exceptions were noted as a result of this procedure.

Contracts

15. 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. *Alternately, 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, <u>excluding the practitioner's contract</u>, and:

    a) 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.

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

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

d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of this procedure.

Payroll and Personnel

16. 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.

    Results: No exceptions were noted as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

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

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

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

    Results: No exceptions were noted as a result of this procedure.

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

pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were noted as a result of this procedure.

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

    Results: No exceptions were noted as a result of this procedure.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
    b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

    Results: No exceptions were noted as a result of this procedure.

Debt Service (excluding nonprofits)

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

    Results: The District had no outstanding debt this fiscal period.

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

    Results: The District had no outstanding debt this fiscal period.

Fraud

23. 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.

    Results: No exceptions were noted as a result of this procedure.

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

    Results: No exceptions were noted as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
    b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and

observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: One of the five selected employees/officials did not demonstrate they completed at least one hour of sexual harassment training during the calendar year.

27. Observe 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).

    Results: The District's website had no posting of its sexual harassment policy or complaint procedure.

28. 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 it includes the applicable requirements of R.S. 42:344:

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

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

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

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

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

    Results: 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
January 20, 2023

PLAQUEMINES PORT
HARBOR & TERMINAL DISTRICT

January 20, 2023

Camnetar & Co. CPAs
2550 Belle Chasse Hwy, Suite 170
Gretna, LA 70053

Re: Management's Response to Agreed-Upon Procedures Engagement Finding

The following outlines the action to be taken by Plaquemines Port, Harbor, & Terminal District regarding the agreed upon procedure findings addressed to the District, by you, our auditor, Camnetar & Co., CPAs (APAC), in your report dated January 20, 2023.

Management agrees with the following findings and will ensure Plaquemines Port, Harbor, & Terminal District meets all legislative requirements going forward.

Written Policies

With Port Commissioners' approval, management will update:

1. The District's Sexual Harassment policy to include annual employee training and annual reporting.
2. The District's Information Technology Disaster Recovery/Business Continuity policy to include (a) periodic testing/verification that backups can be restored. (b) use of antivirus software on all systems. (c) timely application of all available system and software patches/updates

Credit Cards

The District will put procedures in place to ensure

1. All credit card payments be made in a timely manner to avoid assessing late fees.
2. All credit card charges have original receipts or missing receipt document.

Sexual Harassment

Regarding our sexual harassment policy, the District, will put procedures in place to ensure:

1. All employees complete at least one hour of sexual harassment training
2. The sexual harassment policy and complaint procedure will be added to our website.
3. The annual sexual harassment report will be prepared before February 1 of each year.

Sincerely,

Melissa Folse, JD
Deputy Port Director and Executive Counsel

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