R E P O R T

ST. BERNARD PORT, HARBOR

AND TERMINAL DISTRICT

(STATE OF LOUISIANA)

JUNE 30, 2021 AND 2020

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the business-type activities of the St. Bernard Port, Harbor and Terminal District (the District), a component unit of the State of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the St. Bernard Port, Harbor and Terminal District as of June 30, 2021 and the change in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the St. Bernard Port, Harbor and Terminal District as of June 30, 2020, were audited by other auditors whose report dated November 10, 2020, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Bernard Port, Harbor and Terminal District's basic financial statements. The accompanying schedule of compensation, benefits and other payments to the agency head and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 28, 2022, on our consideration of the St. Bernard Port, Harbor and Terminal District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the St. Bernard Port, Harbor and Terminal District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Bernard Port, Harbor and Terminal District's internal control over financial reporting and compliance.

January 28, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Management's Discussion and Analysis (MD&A) of the St. Bernard Port, Harbor and Terminal District's financial performance presents a narrative overview and analysis of the St. Bernard Port, Harbor and Terminal District's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the St. Bernard Port, Harbor and Terminal District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

★ The St. Bernard Port, Harbor and Terminal District's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2021 by $70,745,353, which represents a decrease from last fiscal year of $13,900,951 or 16.42%.

★ The St. Bernard Port, Harbor and Terminal District's intergovernmental revenues increased $6,916,732 or 612.75% as a result of an increase in federal grants received and the net loss from operations increased by $73,789 or 1.37%.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the St. Bernard Port, Harbor and Terminal District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Fund Net Position; and the Statements of Cash Flows.

The Statements of Net Position present the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the St. Bernard Port, Harbor and Terminal District is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Fund Net Position present information showing how the St. Bernard Port, Harbor and Terminal District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flows presents information showing how the St. Bernard Port, Harbor and Terminal District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Statements of Net Position
As of June 30, 2021 and 2020
(in thousands)

	2021	2020
Current and other assets	$ 9,534	$ 11,783
Net capital assets	85,807	95,996
Total assets	95,340	107,779
Deferred outflows of resources	1,732	1,278
Current liabilities	3,225	1,239
Long-term obligations	22,558	22,112
Total liabilities	25,783	23,350
Deferred inflows of resources	544	1,060
Net position:		
Net investment in capital assets	71,360	80,853
Restricted	2,834	7,154
Unrestricted	(3,450)	(3,361)
Total net position	$ 70,745	$ 84,646

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

Net position of the St. Bernard Port, Harbor and Terminal District decreased by $13,900,951 or 16.42%, during the year ended June 30, 2021. The decrease was primarily due to the loss on disposal of the Violet Dock property as further detailed in Note 13.

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Condensed Statements of Revenues, Expenses, and Changes in Fund Net
For the Years Ended June 30, 2021 and 2020
(in thousands)

	2021	2020
Operating revenues	$ 4,940	$ 5,105
Operating expenses	(10,391)	(10,481)
Operating loss	(5,450)	(5,377)
Non-operating revenues	(16,496)	805
Capital contributions	8,046	1,129
Net decrease in fund position	(13,901)	(3,443)
Net position - beginning of year	84,646	88,089
Net position - end of year	$ 70,745	$84,646

The St. Bernard Port, Harbor and Terminal District's total operating revenues decreased $164,777 or 3.23%. The total operating expenses decreased by $90,988 or 0.87%. Operating revenues decreased primarily due to decreased lease revenue. Operating expenses decreased primarily due to decreases in supplies and materials as well as depreciation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the St. Bernard Port, Harbor and Terminal District had net capital assets of $85,806,533, net of accumulated depreciation of $78,699,800, including land, buildings and improvements, dock, barge and marina facilities, furniture and equipment, and construction in progress. This amount represents a net decrease of $10,189,697, which was primarily attributable to current year depreciation and the disposal of the Violet Dock property as further discussed in Note 13.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets at June 30, 2021 and 2020
(Net of Depreciation, in thousands)

	2021	2020
Land	$ 14,454	$ 18,733
Dock and barge facilities	35,480	48,935
Buildings and improvements	21,790	22,173
Furniture and equipment	125	167
Construction in progress	13,958	5,988
Totals	$ 85,807	$ 95,996

Loans Payable

The St. Bernard Port, Harbor and Terminal District had $12,805,000 in bonds payable outstanding at June 30, 2021, compared to $13,495,000 last year, a decrease of $690,000 or 5.12%. The increase is a result of principal payments made during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

- Plans are being finalized for the new Chalmette Terminal Warehouse, slated to be completed in late March, 2022. This new addition will enhance the Port's operational cash flow and further its mission in local job creation and local economic infusion.

- The District had 303 ship calls and handled 7.8 million tons of cargo in FY 2021.

CONTACTING THE ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT MANAGEMENT

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

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,944,139	$ 4,018,649
Accounts receivable	148,328	113,281
Prepaid expenses	604,786	495,685
Due from other governmental units	2,002,675	-
Total current assets	6,699,928	4,627,615
RESTRICTED ASSETS:		
Cash - employee savings	15,142	15,142
Cash equivalents - construction and loan payments	2,818,567	7,139,954
Total restricted assets	2,833,709	7,155,096
CAPITAL ASSETS:		
Land	14,454,102	18,733,418
Dock and barge facilities	83,756,034	96,501,121
Buildings and improvements	49,580,142	48,210,681
Furniture and equipment	2,757,858	3,336,535
	150,548,136	166,781,755
Less accumulated depreciation	78,699,800	76,773,157
	71,848,336	90,008,598
Construction in progress	13,958,197	5,987,632
Net capital assets	85,806,533	95,996,230
TOTAL ASSETS	95,340,170	107,778,941
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to pensions	1,424,256	978,599
Deferred outflows of resources related to OPEB	307,369	299,498
TOTAL DEFERRED OUTFLOWS	1,731,625	1,278,097
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 97,071,795	$ 109,057,038

See accompanying notes.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	$ 2,389,404	$ 371,392
Due to employees - savings	15,142	15,142
Accrued interest payable	106,444	112,144
Note payable - current	8,520	50,000
Bonds payable - current	705,000	690,000
Total current liabilities	3,224,510	1,238,678
LONG-TERM OBLIGATIONS:		
Compensated absences	406,602	380,348
Deferred rent payable	270,000	-
Note payable - noncurrent	1,631,737	1,598,567
Bonds payable - noncurrent	12,100,000	12,805,000
Other postemployment benefits	2,832,060	2,615,231
Net pension liability	5,317,791	4,712,671
Total long-term obligations	22,558,190	22,111,817
Total liabilities	25,782,700	23,350,495
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources related to pensions	221,094	253,646
Deferred inflows of resources related to OPEB	322,648	462,963
Unearned revenue	-	343,630
Total deferred inflows of resources	543,742	1,060,239
NET POSITION:		
Net investment in capital assets	71,361,276	80,852,663
Restricted for:		
Debt service	2,818,567	7,139,954
Other purposes	15,142	15,142
Unrestricted	(3,449,632)	(3,361,455)
Total net position	70,745,353	84,646,304
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 97,071,795	$ 109,057,038

See accompanying notes.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
OPERATING REVENUES:		
Lease revenues	$ 4,791,344	$ 4,979,003
Other fees and permits	149,131	126,249
Total operating revenues	4,940,475	5,105,252
OPERATING EXPENSES:		
Personal services	2,287,105	2,267,726
Supplies and materials	69,494	94,749
Other services and charges	1,772,659	1,408,747
Promotion and marketing	113,880	105,968
Professional services	1,061,668	1,081,341
Depreciation	5,086,139	5,523,402
Total operating expenses	10,390,945	10,481,933
Operating loss	(5,450,470)	(5,376,681)
NON-OPERATING REVENUES (EXPENSES):		
Taxes - ad valorem	1,568,330	1,530,025
Loss on Violet Dock settlement	(17,565,070)	-
Interest earned	3,962	77,684
Interest expense on long-term debt	(374,262)	(260,795)
Debt issuance costs	-	(257,369)
Miscellaneous expense	(513,580)	(329,100)
Miscellaneous revenue	414,594	35,225
Intergovernmental revenues	125,000	125,000
Expropriation legal expenses	(154,990)	(115,647)
Total non-operating revenues (expenses)	(16,496,016)	805,023
CAPITAL CONTRIBUTIONS:		
Intergovernmental revenues	8,045,535	1,128,803
Change in fund net position	(13,900,951)	(3,442,855)
Net position - Beginning of year	84,646,304	88,089,159
Net position - End of year	$ 70,745,353	$ 84,646,304

See accompanying notes.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received for services	$ 4,561,798	$ 4,642,705
Cash paid for goods and services	(838,790)	(2,448,747)
Payments for salaries and related expenses	(2,065,297)	(1,977,324)
Net cash provided by operating activities	1,657,711	216,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Ad valorem tax receipts	1,564,452	1,536,612
Expropriation legal fees	(154,990)	(115,647)
State revenue sharing	125,000	125,000
Net cash provided by noncapital financing activities	1,534,462	1,545,965
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Federal and state funds	6,046,738	1,167,677
Grant administrative expenses	(513,580)	(329,100)
Debt issuance costs	-	(257,369)
Interest paid on loans	(379,962)	(214,231)
Proceeds from loans	-	13,950,000
Principal payments on loans	(698,310)	(7,750,000)
Proceeds from insurance	414,594	45,140
Purchases of capital assets	(12,461,512)	(2,244,850)
Proceeds from disposals of capital assets	-	442
Net cash provided (used by) capital and related financing activities	(7,592,032)	4,367,709
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned	3,962	77,684
Net cash provided by investing activities	3,962	77,684
Net increase (decrease) in cash and cash equivalents	(4,395,897)	6,207,992
Cash and cash equivalents - beginning of year	11,173,745	4,965,753
Cash and cash equivalents - end of year	$ 6,777,848	$ 11,173,745

(Continued)

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (5,450,470)	$ (5,376,681)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	5,086,139	5,523,402
Amortization of lease abatement and prepaid rent	(343,630)	(495,670)
Changes in net assets and liabilities:		
Accounts receivable	(35,047)	33,117
Prepaid expenses	(109,101)	(60,655)
Accounts payable	2,018,012	302,713
Compensated absences	26,254	36,747
Deferred rent payable	270,000	-
Change in net pension liability	605,120	538,194
Change in pension deferred inflows/outflows	(478,209)	(370,617)
Change in OPEB deferred inflows/outflows	(148,186)	263,324
Change in OPEB liability	216,829	(177,240)
Net cash provided by operating activities	$ 1,657,711	$ 216,634
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET ASSETS:		
Cash and cash equivalents - current assets	$ 3,944,139	$ 4,018,649
Cash and cash equivalents - restricted assets	2,833,709	7,155,096
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 6,777,848	$11,173,745

See accompanying notes.

NATURE OF OPERATIONS:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

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

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

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

Reporting Entity:

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

1. Appointment of a voting majority of the governing board

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

2. Organizations which are fiscally dependent

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

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

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

Cash and Cash Equivalents:

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

Accounts Receivable:

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

Capital Assets:

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

Restricted Assets:

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

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

Compensated Absences:

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

Revenues and Expenses:

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and changes in fiduciary net position of the defined benefit pension plans in which the District participates have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources:

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

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

2. CASH AND CASH EQUIVALENTS:

At June 30, 2021 and 2020, the District has cash bank and book balances as follows:

	2021 Bank Balance	2021 Book Balance	2020 Bank Balance	2020 Book Balance
Demand deposits	$ 21,057	$ 15,142	$ 18,676	$ 15,142
Cash equivalents	7,539,650	6,762,706	11,627,020	11,158,603
	$ 7,560,707	$ 6,777,848	$ 11,645,696	$ 11,173,745

Custodial credit risk is risk, that in the event of a bank failure, the District's deposits might not be returned to it. At June 30, 2021 and 2020, the District's demand deposits (bank balances) were fully insured.

All cash equivalents are carried at fair value. The following is a detail of the cash equivalents at June 30, 2021 and 2020:

	2021	2020
Government pooled investments - held by the Louisiana Asset Management Pool (LAMP) in the name of the District	$ 307,853	$ 307,544
Federated Investors Government Obligations Money Market Fund - held by an agent of Gulf Coast Bank in the name of the bank	4,288,335	4,310,911
Restricted U.S. Treasury money market funds managed by the trustee and held by the trustee in the name of the District	2,166,518	6,540,148
Total cash equivalents	$ 6,762,706	$ 11,158,603

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2021 and 2020, the District had no cash equivalents invested in any one entity which exceeded 5% of total cash equivalents, except for the above money market funds.

2. CASH AND CASH EQUIVALENTS: (Continued)

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having been contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana Revised Statute 33:2955. LAMP is rated AAA by Standard & Poor's.

3. INTERGOVERNMENTAL REVENUES AND RECEIVABLES:

Intergovernmental revenues for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Non-operating:		
State of Louisiana revenue sharing	$ 125,000	$ 125,000
Capital contributions:		
State and federal grants	8,045,535	1,128,803
Total intergovernmental revenues	$ 8,170,535	$ 1,253,803

Amounts due from other governmental units consisted of the following at June 30, 2021 and 2020:

	2021	2020
Federal Emergency Management Agency	$ 28,563	$ -
State of Louisiana	803,497	-
MARAD	1,076,997	-
Delta Regional	89,740	-
St. Bernard Parish Tax Collector	3,878	-
Total intergovernmental receivables	$ 2,002,675	$ -

4. CAPITAL ASSETS:

A summary of changes in capital assets and depreciation for the years ended June 30, 2021 and 2020 were as follows:

2021	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Land	$ 18,733,418	$ 3,000,000	$ (7,279,316)	$ 14,454,102
Dock and barge facilities	96,501,122	69,110	(12,814,198)	83,756,034
Buildings and improvements	48,210,681	1,369,461	-	49,580,142
Furniture and equipment	3,336,534	52,377	(631,053)	2,757,858
Construction in progress	5,987,632	9,327,789	(1,357,224)	13,958,197
Totals	$ 172,769,387	$ 13,818,737	$ (22,081,791)	$ 164,506,333

2021	Accumulated Depreciation Balance June 30, 2020	Additions	Retirements	Accumulated Depreciation Balance June 30, 2021
Dock and barge facilities	$ 47,566,004	$ 3,238,912	$ (2,528,443)	$ 48,276,473
Buildings and improvements	26,037,889	1,752,597	-	27,790,486
Furniture and equipment	3,169,264	94,630	(631,053)	2,632,841
Totals	$ 76,773,157	$ 5,086,139	$ (3,159,496)	$ 78,699,800

2020	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Land	$ 17,026,367	$ 1,707,051	$ -	$ 18,733,418
Dock and barge facilities	96,510,841	25,016	(34,735)	96,501,122
Buildings and improvements	48,188,090	22,591	-	48,210,681
Furniture and equipment	3,366,297	21,910	(51,673)	3,336,534
Construction in progress	3,870,783	2,116,849	-	5,987,632
Totals	$ 168,962,378	$ 3,893,417	$ (86,408)	$ 172,769,387

2020	Accumulated Depreciation Balance June 30, 2019	Additions	Retirements	Accumulated Depreciation Balance June 30, 2020
Dock and barge facilities	$ 43,893,149	$ 3,695,186	$ (22,331)	$ 47,566,004
Buildings and improvements	24,311,332	1,726,557	-	26,037,889
Furniture and equipment	3,119,276	101,659	(51,671)	3,169,264
Totals	$ 71,323,757	$ 5,523,402	$ (74,002)	$ 76,773,157

4. CAPITAL ASSETS: (Continued)

Depreciation expense amounted to $5,086,139 and $5,523,402 for the years ended June 30, 2021 and 2020, respectively.

During the years ended June 30, 2021and 2020, approximately $12,000,000 of the dock and barge facilities balance and $4,000,000 of the land balance was related to the expropriation of 71 acres of land and port facilities in Violet, Louisiana. The District was involved in legal proceedings following the expropriation. See Note 13 for further information.

5. GENERAL LONG-TERM OBLIGATIONS:

BONDS PAYABLE:

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

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

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

5. GENERAL LONG-TERM OBLIGATIONS: (Continued)

BONDS PAYABLE: (Continued)

The following is a summary of loan payable transactions for the years ended June 30, 2021 and 2020:

2021 Description	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
2020A	$ 2,685,000	$ -	$ (165,000)	$ 2,520,000	$ 165,000
2020B	3,915,000	-	(240,000)	3,675,000	245,000
2020C	6,895,000	-	(285,000)	6,610,000	295,000
	$ 13,495,000	$ -	$ (690,000)	$ 12,805,000	$ 705,000

2020 Description	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
2020A	$ -	$ 2,870,000	$ (185,000)	2,685,000	$165,000
2020B	-	4,185,000	(270,000)	3,915,000	240,000
2020C	-	6,895,000	-	6,895,000	285,000
2014A	2,785,000	-	(2,785,000)	-	-
2014B	4,060,000	-	(4,060,000)	-	-
2014C	450,000	-	(450,000)	-	-
	$ 7,295,000	$ 13,950,000	$ (7,750,000)	$ 13,495,000	$ 690,000

The annual principal and interest payments on the loans outstanding at June 30, 2021 are scheduled to occur as follows.

Year Ended June 30	Principal Payments	Interest Payments	Total
2022	$ 705,000	$ 321,077	$ 1,026,077
2023	720,000	303,503	1,023,503
2024	740,000	285,557	1,025,557
2025	755,000	267,110	1,022,110
2026	775,000	248,291	1,023,291
2027-2031	4,200,000	940,827	5,140,827
2032-2036	3,590,000	405,383	3,995,383
2037-2039	1,320,000	68,628	1,388,628
	$ 12,805,000	$ 2,840,376	$ 15,645,376

Interest expense paid on the loans during the years ended June 30, 2021 and 2020, was $332,572 and $260,795, respectively.

5. GENERAL LONG-TERM OBLIGATIONS: (Continued)

NOTE PAYABLE:

On February 28, 2020, the District entered into a loan agreement for the purchase of land in Chalmette, Louisiana in the amount of $1,648,567. The loan is secured by the land and bears interest at an implicit rate of 2.5%. The loan matures on February 28, 2023. Interest expense for the year ended June 30, 2021, was immaterial. The annual principal and interest on the note payable are scheduled as follows:

Year Ended June 30	Principal Payments	Interest Payments	Total
2022	$ 8,520	$ 41,480	$ 50,000
2023	1,631,737	41,264	1,673,001
	$ 1,640,257	$ 82,744	$ 1,723,001

OTHER LONG-TERM OBLIGATIONS:

The following is a summary of changes in other long-term obligations for the years ended June 30, 2021 and 2020:

2021	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Compensated absences	$ 380,348	$ 26,254	$ -	$ 406,602	$ -

2020	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Compensated absences	$ 343,601	$ 36,747	$ -	$ 380,348	$ -

6. OTHER POSTEMPLOYMENT BENEFITS:

Substantially all District employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the District. The benefits for retirees are similar benefits for active employees whose premiums are paid jointly by the employee and the District. Below is a schedule of active employees, entitled to future benefits, and retired employees, currently receiving benefits, for the years ended June 30, 2021 and 2020.

	2021	2020
Active employees	28	28
Retired employees	7	7
	35	35

Plan Description:

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

Benefits Provided:

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

Contributions:

The contribution requirements of plan members and the District are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and District contributions. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving post-employment benefits. The retirees contribute to the cost of their postemployment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

6. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Employee premiums for these benefits totaled $23,065 and $24,704 for the years ended June 30, 2021 and 2020, respectively. Employer contributions to the OPEB Plan from the District were $57,168 and $61,197 for the years ended June 30, 2021 and 2020, respectively.

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

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

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

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

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

At June 30, 2021, the District reported a total OPEB liability of $2,832,060. The total OPEB liability was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

6. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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

For the year ended June 30, 2021, the District recognized OPEB expense of $127,504. As of June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 16,834	$ 322,648
Difference between expected and actual experience	233,367	-
Employer contributions subsequent to the measurement date	57,168	-
Total	$ 307,369	$ 322,648

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of $57,168 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended June 30	Amount
2022	$ (36,433)
2023	(25,467)
2024	(29,844)
2025	19,297
	$ (72,447)

6. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Actuarial Methods and Assumptions:

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.8%
Salary Increases	Consistent with the pension valuation assumptions
Investment Rate of Return	2.66%, based on the S&P Municipal Bond 20-Year High Grade Rate Index
Healthcare Cost Trend	6.75% - 4.5%
Mortality Rates	For healthy lives the RP-2014 Blue Collar Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2000 Disabled Retiree Mortality Table, not projected with mortality improvement.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2016 to December 31, 2017. As a result of the 2017 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2017 actuarial valuation to more closely reflect actual experience.

Discount Rate:

The discount rate used to measure the total OPEB liability was 2.66%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was decreased to 2.66% in the July 1, 2020 valuation from 2.79% as of July 1, 2019. The discount rate in the current valuation reflects the S&P Municipal Bond 20-Year Index Rate.

6. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.66%) or 1% higher (3.66%) than the current discount rate:

District's total OPEB liability	$ 3,446,516	$ 2,832,060	$2,364,775

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

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

District's total OPEB liability	$ 2,343,453	$ 2,832,060	$ 3,487,408

Payables to the OPEB Plan:

As of June 30, 2021, the District reported no payables for outstanding contributions to the OPEB plan required for the year then ended.

7. LEASE EXPENSE:

The District leases various equipment and property for use in its operations. Total lease expense for all leases during the years ended June 30, 2021 and 2020 was $170,527 and $180,161, respectively.

The schedule of estimated future minimum lease payments as of June 30, 2021 is as follows:

Year Ended	Amount
2022	$ 170,241
2023	172,491
2024	172,491

7. LEASE EXPENSE: (Continued)

Estimated future minimum lease payments as of June 30, 2021- Continued

Year Ended	Amount
2025	172,491
2026	172,491
2027 through 2031	665,581
2032 through 2036	518,450
2037 through 2041	52,089
	$ 2,096,325

8. LEASE REVENUES:

The District leases property and buildings located at the Chalmette and Arabi terminals and other sites within St. Bernard Parish and dock and barge facilities located at the Chalmette Slip to various businesses. These leases are reported as operating leases. Minimum future rental income on non-cancelable leases as of June 30, 2021 is as follows:

Year Ended	Amount
2022	$ 3,294,275
2023	3,011,399
2024	2,663,938
2025	2,351,746
2026	2,234,812
Thereafter	7,902,664
Total	$ 21,458,834

Contingent rentals earned for the years ended June 30, 2021 and 2020 were $700,522 and $587,294, respectively.

8. LEASE REVENUES: (Continued)

The carrying value of leased property as of June 30, 2021 and 2020 was as follows:

2021	Cost	Accumulated Depreciation	Carrying Value
Land	$ 14,454,102	$ -	$ 14,454,102
Dock and barge facilities	83,756,034	(48,276,473)	35,479,561
Buildings and improvements	49,580,142	(27,790,486)	21,789,656
	$ 147,790,278	$ (76,066,959)	$ 71,723,319

2020	Cost	Accumulated Depreciation	Carrying Value
Land	$ 18,733,418	$ -	$ 18,733,418
Dock and barge facilities	96,501,122	(47,566,004)	48,935,118
Buildings and improvements	48,210,681	(26,037,889)	22,172,792
	$ 163,445,221	$ (73,603,893)	$ 89,841,328

9. SERVICE CONCESSION ARRANGEMENT:

The District has contracted with a private party to operate its facilities. The operator of the District's facilities performs improvements to existing capital assets of the District when necessary. These improvements are capitalized as they are made and are subject to depreciation based on existing policies for similar capital assets. The difference between the initial capital asset recognized and any associated liability with the arrangement, if any, is reported as a deferred inflow of resources and is recognized as income in a systematic and rational manner based on the terms to the arrangement.

Amounts recognized as revenues relating to the arrangement for the years ended June 30, 2021 and 2020 were $700,522 and $587,294, respectively. Unearned revenue relating to the arrangement as of June 30, 2021 and 2020 was $0 and $342,131, respectively, and is included in deferred inflows of resources on the Statements of Net Position.

10. AD VALOREM TAXES:

Property taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Property taxes are levied on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the District. Assessed values are established by the St. Bernard Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. The assessed value upon which the 2021 levy was based was $410,444,839 with homestead exemptions of $69,333,820. The assessed value upon which the 2020 levy was based was $401,760,622 with homestead exemptions of $67,482,580.

The District is permitted by Article 7, Section 23 of the 1974 Constitution and Act 228 of 1960 of the State of Louisiana to levy taxes up to $5.00 per $1,000 of assessed valuation on property within the District to defray their administrative, operative, and maintenance expenditures. Taxes were levied to finance expenses at a rate of $3.81 and $3.73 per $1,000 for the 2021 and 2020 levies, respectively.

Ad valorem taxes are generally collected in December of the current year and January and February of the ensuing year. Current tax collections for the years ended June 30, 2021 and 2020 were 100.29% and 102.10%, respectively, of the tax levies.

As required by State of Louisiana statutes, prescribed deductions are made from the District's property tax receipts to cover contributions to various pension funds. The deductions for the years ended June 30, 2021 and 2020 were $48,441 and $45,679, respectively.

11. PENSION PLANS:

Plan Descriptions:

Substantially all employees of the District are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System of Louisiana (TRSL) or Louisiana State Employees' Retirement System (LASERS). The authority to establish and amend the benefit terms of TRSL and LASERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL and LASERS each issues publicly available financial reports that can be obtained at www.trsl.org and www.lasersonline.org, respectively. All permanent employees, who meet the age requirements and who are paid wholly or in part from the District funds must be members of LASERS. However, employees who were previously members of other state retirement systems may continue to participate in that system in lieu of participating in LASERS. There were no employees participating in TRSL for the years ended June 30, 2021 and 2020.

11. PENSION PLANS: (Continued)

Benefits Provided:

Teacher's Retirement System of Louisiana (TRSL):

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor benefits through three membership plans. Retirement benefits are determined as 2 or 2.5% (Regular Plan), 3% (Plan A), or 2% (Plan B) of final average salary for each year of credited service. Final average salary is based upon the member's highest successive 36 months of salary for members hired prior to January 1, 2011 or 60 months of salary for members hired on or after January 1, 2011.

Employees hired prior to July 1, 1999 are eligible to retire at age 60 with five years of accredited service or 20 years of creditable teaching service regardless of age. Employees hired on or after July 1, 1999 and prior to January 1, 2011 are eligible to retire at age 60 with five years of accredited service, at age 55 with 25 years of accredited service, or at any age with 30 years of accredited service. Employees hired on or after January 1, 2011 are eligible to retire at age 60 with 5 years of accredited service or at any age with 20 years of service credit. Employees hired on or after July 1, 2015 are eligible to retire at age 62 with five years of accredited service or at any age with 20 years of service credit.

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed three years. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Disability benefits for employees hired prior to January 1, 2011, and who have five or more years of credited services are eligible for disability retirement benefits. Disability benefits for employees hired on or after January 1, 2011 must have at least ten years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

11. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

Teacher's Retirement System of Louisiana (TRSL): (Continued)

A surviving spouse with minor children of an active member with five years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When minor children are no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor children. Benefits for the minor children cease when he/she is no longer eligible.

Each minor child (maximum of two) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) $300 (up to two eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) the Option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

TRSL allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Louisiana State Employees' Retirement System (LASERS):

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits vary depending on the member's hire date, employer, and job classification. Employees hired prior to July 1, 2006 are eligible to retire at age 60 with 10 years of accredited service or 30 years of creditable service regardless of age. Employees hired between July 1, 2006 and June 30, 2015 are eligible to retire at age 60 with five years of accredited service. Employees hired on or after July 1, 2015 are eligible to retire at age 62 with five years of accredited service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

11. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

Louisiana State Employees' Retirement System (LASERS): (Continued)

The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked.

11. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

Louisiana State Employees' Retirement System (LASERS): (Continued)

For members who entered DROP prior to January 1, 2004, interest at a rate of .5% less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of .5% less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

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

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

LASERS allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

11. PENSION PLANS: (Continued)

Benefits Provided: (Continued)

Contributions:

Teachers' Retirement System of Louisiana (TRSL):

Employer contribution requirements of active employees are established annually under Title 11 of the Louisiana Revised Statutes (LA R.S. 11:101-11:104) by the Public Retirement System's Actuarial Committee (PRSAC). The District's employees participating in TRSL were included in the Regular Plan. Members are required by state statute to contribute 8.0% of their annual covered salaries and the District is required to make employer contributions based on an actuarially determined rate. The employer contribution rates for the fiscal years ended June 30, 2021 and 2020 was 25.8% and 26.0% of annual covered payroll, respectively. The District's contributions paid to TRSL for the years ended June 30, 2021 and 2020 were $-0- and $-0-, respectively.

Louisiana State Employees' Retirement System (LASERS):

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes (LA R.S. 11:101-11:104) by the Public Retirement System's Actuarial Committee (PRSAC). Substantially all of the District's employees participating in LASERS are included in the Regular Plan. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the District is required to make employer contributions based on an actuarially determined rate. The employer contribution rates for the fiscal years ended June 30, 2021 and 2020 was 40.1% and 40.7% of annual covered payroll, respectively. The District's contributions paid to LASERS for the years ended June 30, 2021 and 2020 were $551,975 and $528,868, respectively.

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

At June 30, 2021, the District reported a liability for its participation in TRSL and LASERS of $-0- and $5,317,791, respectively, for its proportionate share of the net pension liability of each System. At June 30, 2020, the District reported a liability for its participation in TRSL and LASERS of $-0- and $4,712,671, respectively, for its proportionate share of the net pension liability of each System. The net pension liabilities were measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The District's proportion of the net

11. PENSION PLANS: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

pension liability for TRSL and LASERS was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2020 measurement date, the District's proportion in TRSL and LASERS was 0.00000%, and 0.06430%, respectively, which was a change of approximately 0.00% and a decrease of 0.00075%, respectively, from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension benefit for its participation in TRSL of $119,528 and pension expense for its participation in LASERS of $685,174. For the year ended June 30, 2020, the District recognized pension benefit for its participation in TRSL of $106,008 and pension expense for its participation in LASERS of $802,450.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in TRSL:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer and non-employer contributions and proportionate share of contributions	-	121,926
Employer contributions subsequent to the measurement date	-	-
Total	$ -	$ 121,926

11. PENSION PLANS: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in TRSL:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer and non-employer contributions and proportionate share of contributions	2,399	243,853
Employer contributions subsequent to the measurement date	-	-
Total	$ 2,399	$ 243,853

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in LASERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 51,070
Changes of assumptions	17,015	-
Net difference between projected and actual earnings on pension plan investments	777,359	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	77,907	48,098
Employer contributions subsequent to the measurement date	551,975	-
Total	$ 1,424,256	$ 99,168

11. PENSION PLANS: (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in LASERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,937	$ 9,793
Changes of assumptions	40,383	-
Net difference between projected and actual earnings on pension plan investments	162,816	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	215,196	-
Employer contributions subsequent to the measurement date	528,868	-
Total	$ 976,200	$ 9,793

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for TRSL and LASERS of $-0- and $551,975, respectively, will be recognized as a reduction of the net pension liability during the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year ended June 30:	TRSL	LASERS
2022	$(121,926)	$ 152,865
2023	-	200,126
2024	-	240,224
2025	-	179,898

11. PENSION PLANS: (Continued)

Actuarial Assumptions:

The total pension liability in the June 30, 2020 actuarial valuations for TRSL and LASERS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:	TRSL	LASERS
Inflation	2.50%	2.30%
Salary Increases	3.3% - 4.8%	2.6% - 13.8%
Investment Rate of Return	7.55%	7.55%
Dates of Experience Study	2012-2017	2014-2018
Mortality Rates	RP-2014 Mortality Tables adjusted from 2014-2018 using the MP-2017 generational improvement table	RP-2014 Combined Healthy Mortality Table with mortality improvement projected to 2018
		RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement

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

11. PENSION PLANS: (Continued)

Actuarial Assumptions: (Continued)

Teachers' Retirement System of Louisiana (TRSL):

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return (Arithmetic)
Domestic Fixed Income	13.0%	1.69%
International Fixed Income	5.5	2.10
Domestic Equity	27.0	4.60
International Equity	19.0	5.70
Private Equity	25.5	8.67
Other Private Assets	10.0	3.65
Total	100.0%	

Louisiana State Employees' Retirement System (LASERS):

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return (Geometric)
Cash	0.0%	-0.59%
Domestic Equity	23.0	4.79
International Equity	32.0	5.83
Domestic Fixed Income	6.0	1.76
International Fixed Income	10.0	3.98
Alternative Investments	22.0	6.69
Global Asset Allocation	7.0	4.20
Total	100.0%	

Discount Rate:

The discount rate used to measure the total pension liability of TRSL and LASERS was 7.55%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. PENSION PLANS: (Continued)

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

The following presents the District's proportionate share of the net pension liability of TRSL and LASERS as of June 30, 2021and 2020 using the current discount rate of 7.55% and 7.60%, respectively, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	District's Proportionate Share of the Net Pension Liability		
	1.00% Decrease 6.55%	Current Discount Rate 7.55%	1.00% Increase 8.55%
June 30, 2021			
Teachers' Retirement System of Louisiana	$ -	$ -	$ -
Louisiana State Employees' Retirement System	6,534,738	5,317,791	4,285,078

	District's Proportionate Share of the Net Pension Liability		
	1.00% Decrease 6.60%	Current Discount Rate 7.60%	1.00% Increase 8.60%
June 30, 2020			
Teachers' Retirement System of Louisiana	$ -	$ -	$ -
Louisiana State Employees' Retirement System	5,947,992	4,712,671	3,669,240

Support of Non-employer Contributing Entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the years ended June 30, 2021 and 2020, the District recognized no revenue as a result of support received from non-employer contributing entities for its participation in TRSL. LASERS does not receive support from non-employer contributing entities and as a result no revenue was recorded for the participation in LASERS for the years ended June 30, 2021 and 2020.

11. PENSION PLANS: (Continued)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plans fiduciary net position is available in the separately issued financial reports for TRSL and LASERS.

12. DEFERRED COMPENSATION PLAN:

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

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

The maximum amount of compensation which may be deferred during a calendar year shall not exceed $19,500 for the years ended June 30, 2021 and 2020, respectively.

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

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

Contributions to the Plan by employees totaled $104,701 and $106,944 for the years ended June 30, 2021 and 2020, respectively. Contributions to the Plan by the District totaled $45,303 and $45,974 for the years ended June 30, 2021 and 2020, respectively.

13. COMMITMENTS AND CONTINGENCIES:

The District was involved in legal proceedings following its expropriation of approximately 71 acres of land for expansion of port services. The previous landowner (Violet Dock) contested the expropriation. A district court judge upheld the District's expropriation of the property during a bench trial on February 1, 2012. The District has deposited $16,000,000 into the registry of the court as part of its petition for expropriation. The District seeks a reduction of this amount for debris removal and environmental and other issues. The previous owner contends that it is entitled to $66,000,000 in damages for the full extent of its losses related to the expropriation.

Both parties timely filed a notice of appeal of the District Court's decision to the Fourth Circuit Court of Appeal. Violet Dock asked the Court to reverse the public purpose determination and return the Property to it. Alternatively, Violet Dock asked that the appellate court increase the award of fair market value. On December 14, 2016, the Fourth Circuit issued its opinion and affirmed the District Court's holdings in all respects - the Port's public purpose for taking the Property and the $16,000,000 value award. The Fourth Circuit later denied Violet Dock's request for rehearing.

Violet Dock sought writs from the Louisiana Supreme Court, which were granted. Again Violet Dock challenged the public purpose of the taking and asks for its property to be restored and for an increase in the fair market value of the property. Oral arguments were scheduled before the Louisiana Supreme Court on October 16, 2017. On January 30, 2018, the Louisiana Supreme Court issued its Judgment affirming the public purpose of the taking. The Court remanded, however, the valuation determination to the Louisiana Fourth Circuit Court of Appeal to determine if the $16,000,000 was correct in light of the trial court's legal error that he was bound to choose only one party's presentation of the valuation or if he could arrive at a different value. Violet Dock sought rehearing with the Louisiana Supreme Court on the public purpose ruling, but that request was denied.

A three-judge panel at the Fourth Circuit heard oral argument on April 30, 2018 solely on the question of the value of the Property with St. Bernard Port arguing that the value of the Property was no more than $16,000,000. Violet Dock argued again that the value of the Property was at least $28,000,000, but that it was still seeking higher amounts in the range of $50,000,000 to $60,000,000. Following this argument, the parties were notified that the case was being sent to an *en banc*, five-judge panel for review. The parties again argued the merits of the valuation issue on June 14, 2018.

On September 12, 2018, the Fourth Circuit issued its opinion and increased the award to Violet Dock from $16,000,000 to $28,764,685 and also awarding attorneys' fees and costs. The Port filed an application for review with the Louisiana Supreme Court on October 12, 2018 arguing that the award was completely unsupported by the record evidence, was far too high for this property, and that the $16,000,000 value should be reinstated. Violet Dock has also filed a

13. COMMITMENTS AND CONTINGENCIES: (Continued)

writ application with the Supreme Court asking the court to increase the award from \$28,764,685 to \$41,000,000. In response to Violet Dock's request, the Port intends to argue that the Court should grant both writs to address the jurisprudence on which the Fourth Circuit based its opinion. The Port's attorney could not determine the likely outcome of this matter.

Just before the *en banc* argument, Violet Dock filed an application for writ of certiorari with the United States Supreme Court. In its application, Violet Dock asks the United States Supreme Court to overturn the taking and return the Property to the company. On October 15, 2018, the United States Supreme Court issued its decision declining to review this matter.

A founder of Violet Dock asserted a claim for attorneys' fees and costs associated with a subpoena issued by St. Bernard Port during the valuation trial, seeking approximately \$350,000 from St. Bernard Port. As part of the attorneys' fee compromise referenced below, this claim was dismissed.

On February 11, 2019, the Louisiana Supreme Court denied both the Port's and Violet Dock's writ application and the \$28,764,685 just compensation award plus judicial interest and attorneys' fees became a final award. The total award owed by the St. Bernard Port under the judgment is:

Additional just compensation for the property	\$ 12,764,685
Judicial interest at 5% per annum	6,403,326
Attorneys' fees and costs	3,392,079
Judicial interest on attorney fees	337,262
Total claim	\$ 22,897,352

The Port spent the summer months attempting to secure a Legislative appropriation to fund some portion of the judgment, but no funding was allocated during this Legislative session. Thereafter, on July 17, 2019, Violet Dock filed a motion in United States District Court for the Eastern District of Louisiana, asking the federal court to enforce the state court judgment. The Port filed a motion to dismiss the federal court litigation and requiring Violet Dock to proceed with any collection action in state court. The Eastern District Court dismissed the suit for failure to state a claim.

Violet Dock sought review at the United States Fifth Circuit Court of Appeal, which heard oral arguments on September 2, 2020. Thereafter, the panel facilitated contact between the parties and the Fifth Circuit's mediation program to discuss resolution. These discussions are ongoing now.

13. COMMITMENTS AND CONTINGENCIES: (Continued)

Finally, following the District Court judgment, Mr. Ruppel, a founder of Violet Dock, asserted a claim for attorneys' fees and costs associated with a subpoena issued by St. Bernard Port during the valuation trial, seeking approximately $350,000 from St. Bernard Port. As part of the attorneys' fee compromise referenced in footnote 3, Ruppel dismissed this attorneys' fees claim.

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

Commencing on the Amendment Effective Date and continuing until December 29, 2022 (the "Second Closing Deadline," and the period between the Amendment Effective Date and the Second Closing Deadline is the "Feasibility Period"), the Board will undertake such due diligence and title investigations, determination of governmental approvals, and analyses of impact strategies (community, commercial, rail, navigation, and road) as it considers in its good-faith judgment are necessary or appropriate to determine the feasibility of and otherwise relating to the Project. The Board's diligence during the Feasibility Period will include its diligence on the Non-VDP Property, including its obtaining acceptable title, soil, environmental, wetlands, physical inspection, and property condition reports and studies and other due diligence by the Board during the Feasibility Period. The District will reasonably cooperate in good faith with the Board during the Feasibility Period. If the Board elects to develop the Project, then it will so notify the District on or before November 1, 2022, and it will satisfy its obligations set out below.

13. COMMITMENTS AND CONTINGENCIES: (Continued)

The Board represents and warrants that it must acquire the Non-VDP Property to develop the Project, and it has agreed both to make certain payments to the District and to acquire the Non-VDP Property if it intends to move forward with the Project. Consequently, as part of the First Closing on the Amendment Effective Date, the District and the Board will execute the Non-VDP Property and Payment Agreement in the form that has been approved by the Parties (when executed, the "Non-VDP Property and Payment Agreement") in which the Board agrees that if it intends to move forward with the Project, then on or before the Second Closing Deadline, it will purchase the Non-VDP Property and pay the District the sum of $8,000,000, in consideration for this agreement to sell by the District, the District's sale to the Board of the Non-VDP Property, the District's resulting need to construct additional facilities to replace the berths and facilities at the VDP Property and the Non-VDP Property, the cancellation of the District's Repurchase Option (as defined below), the District's agreement to cooperate reasonably and in good faith with the Board, the District's agreement not to compete, and the District's reasonable assistance with the Parish and the community (this sum of $8,000,000 is the "Non-VDP Property and Development Payment"), the District agrees to sell the Non-VDP Property to the Board upon the Board's payment of the Non-VDP Property and Development Payment and otherwise on the terms set out for the Second Closing in the Non-VDP Property and Payment Agreement.

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

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

13. COMMITMENTS AND CONTINGENCIES: (Continued)

Notwithstanding the District's obligation to pay the rent set out in the New Lease, and as more fully set out in the New Lease, the rent will be abated during the Feasibility Period (this abated rent in the amount of $1,080,000 is the "Deferred Rent"), and if the Board intends to move forward with the development of the Project at the VDP Property or otherwise acquires the Non-VDP Property (and provided that the Non-VDP Property and Payment Agreement has not been terminated by reason of the District's default), then the Deferred Rent and the rent for the remaining three (3) years of the term of the New Lease, from January 1, 2023 through December 31, 2025, shall be abated and shall not be payable as further consideration for the District's obligations as set forth in the Second Amendment. As a result of this transaction, $270,000 of rent expense and corresponding deferred rent payable is recorded in the accompanying financial statements.

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

In the Second Amendment, the Board grants, and in the New Lease, the Board will grant, the District the option to repurchase the VDP Property if the Second Closing does not occur by the Second Closing Deadline other than by reason of the District's default that continues beyond the applicable notice and cure periods (this option is the "VDP Repurchase Option"). For the avoidance of doubt, the VDP Repurchase Option is one right, not two, notwithstanding being set forth in multiple documents. The VDP Repurchase Option is on the following terms:

The VDP Repurchase Option is for a term commencing on the Second Closing Deadline (if the Second Closing does not occur on or before that date) and ending on December 29, 2024, provided, however, that in order for the District to exercise the VDP Repurchase Option it must give the Board written notice of that election on or before December 29, 2023 (being the third anniversary of the Amendment Effective Date). The VDP Repurchase Option is for a purchase price equal to $20,580,000, being the sum of $19,500,000 plus the total amount of the Deferred Rent of $1,080,000 (the "Repurchase Price").

13. COMMITMENTS AND CONTINGENCIES: (Continued)

To exercise the VDP Repurchase Option, the District must give the Board written notice received by the Board by no later than December 29, 2023 (the "Option Exercise Notice"), and if the District gives the Board the Option Exercise Notice, then the closing of the District's repurchase of the VDP Property (the "Repurchase Closing") will be held on the day that is mutually agreed by the Parties but in no event later than December 29, 2024. If the New Lease expires or otherwise terminates before the Repurchase Closing other than by reason of the Board's default, then even if the District has given an Option Exercise Notice, the District will have no further right or option to purchase or repurchase the VDP Property. If the District fails to provide the Option Exercise Notice on or before December 29, 2023, then the District will have no further rights in relation to the VDP Repurchase Option.

If the District timely and properly elects to exercise the VDP Repurchase Option, then at the Repurchase Closing, the following will occur simultaneously: (i) the District will pay the Repurchase Price, and (ii) each Party shall execute and deliver the act of sale (containing the same warranty waivers set out in the Dation), the inchoate lien affidavit and gap indemnity approved by the title company, and the closing statement, each consistent with this Section V.B.4 and the New Lease. The act of sale shall be at the District's expense and the District shall pay the cost of recording the act of sale, the costs of title insurance and survey, if any, and all other closing costs, and each Party shall pay its own attorneys' fees.

If the Repurchase Closing occurs, the District will not operate international container vessel-related activities at the VDP Property for a term of eight years commencing on the Repurchase Closing, and at the Repurchase Closing the District will confirm this obligation in writing in the recorded act of sale.

During the years ended June 30, 2021 and 2020, the District incurred $154,990 and $115,647 of legal expenses related to the expropriation, respectively.

14. USE OF ESTIMATES:

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

15. NEW ACCOUNTING PRONOUNCEMENTS:

The GASB has issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The District plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, "Omnibus 2020." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements are effective upon issuance. The remaining requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The District plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately.

16. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through January 28, 2022, which is the date the financial statements were available to be issued.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE SEVEN YEARS ENDED JUNE 30, 2021

Fiscal Year*	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a % of of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
LASERS:					
2021	0.0643%	$ 5,317,791	$ 1,299,429	409.24%	58.00%
2020	0.0651%	4,712,671	1,238,026	380.66%	62.90%
2019	0.0612%	4,174,477	1,167,014	357.71%	64.30%
2018	0.0586%	4,122,854	1,114,374	369.97%	62.50%
2017	0.0561%	4,408,266	1,045,284	421.73%	57.70%
2016	0.0527%	3,587,932	994,779	360.68%	62.70%
2015	0.0527%	3,295,649	1,162,778	283.43%	65.00%
TRSL:					
2021	0.0000%	-	-	-	-
2020	0.0000%	-	-	-	-
2019	0.0000%	-	-	-	-
2018	0.0000%	-	-	-	-
2017	0.0061%	716,191	261,032	274.37%	59.90%
2016	0.0060%	642,556	253,429	253.54%	62.50%
2015	0.0054%	549,811	224,274	245.15%	63.70%

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

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

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

FOR THE SEVEN YEARS ENDED JUNE 30, 2021

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
LASERS:					
2021	$ 551,975	$ 551,975	-	$ 1,376,498	40.10%
2020	528,868	528,868	(0)	1,299,429	40.70%
2019	469,212	469,212	(0)	1,238,026	37.90%
2018	442,298	448,925	(6,627)	1,167,014	38.47%
2017	398,946	405,704	(6,758)	1,114,374	36.41%
2016	388,846	392,020	(3,174)	1,045,284	37.50%
2015	368,068	368,068	-	994,779	37.00%
TRSL:					
2021	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A
2017	68,560	68,560	-	268,863	25.50%
2016	68,651	68,651	-	261,032	26.30%
2015	70,960	70,960	-	253,429	28.00%

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

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
FOR THE FOUR YEARS ENDED JUNE 30, 2021

Fiscal Year*	District's Beginning Total OPEB Liability	Service Costs	Interest	Difference Between Expected and Actual Experience	Changes in Assumptions	Contributions	District's Ending Total OPEB Liability
2021	$ 2,615,231	$ 89,350	$ 74,587	$ 94,518	$ 21,264	$ (62,890)	2,832,060
2020	2,793,865	121,873	85,962	71,858	(395,650)	(62,677)	2,615,231
2019	2,447,902	117,616	79,541	310,994	(113,244)	(48,944)	2,793,865
2018	2,485,894	127,360	70,160	-	(186,568)	(48,944)	2,447,902

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.
* The amounts presented for each fiscal year were determined as of the prior fiscal year.

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
FOR THE FOUR YEARS ENDED JUNE 30, 2021

Fiscal Year	Actuarially Estimated Contributions	District's Actual Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage Of Covered Employee Payroll	Total OPEB Liability as a Percentage of Covered Employee Payroll
2021	$ 61,197	$ 57,168	4,029	$ 1,376,498	4.15%	205.74%
2020	61,283	61,197	86	1,299,429	4.71%	201.26%
2019	53,029	61,283	(8,254)	1,238,026	4.95%	225.67%
2018	48,944	53,029	(4,085)	1,167,014	4.54%	209.76%

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

See Independent Auditors' Report

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020

1. SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY:

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

2. SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS:

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

3. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY:

   This schedule reflects the participation of the District's employees in the State of Louisiana Postemployment Benefits Plan and changes in the total other postemployment liability.

   No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

4. CHANGES OF BENEFIT TERMS:

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

5. CHANGES IN ASSUMPTIONS:

   Pension Plan:

   Amounts reported in the actuary valuations dated June 30, 2018 and 2017 for LASERS reflect an adjustment in the discount rate, inflation rate, and salary increases used to value the projected benefit payments attributed to past periods of service. The discount rate for LASERS was decreased by 0.05% to 7.70% in 2017 and 7.65% in 2018. Other changes were as follows:

5. CHANGES IN ASSUMPTIONS: (Continued)

Pension Plan: (Continued)

Valuation Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Investment Rate of Return	7.55%	7.60%	7.65%	7.70%	7.75%
Inflation Rate	2.30%	2.50%	2.75%	2.75%	3.00%
Expected Remaining Service Lives	2 years	2 Years	3 Years	3 Years	3 Years
Salary Increases	2.6% - 13.8%	2.8% - 14.0%	2.8% - 14.3%	2.8% - 14.3%	3.0% - 14.5%
Mortality Rate - Active & Retired Members	Mortality rates based on the RP-2014 mortality tables	Mortality rates based on the RP-2014 mortality tables	Mortality rates based on the RP-2000 mortality tables	Mortality rates based on the RP-2000 mortality tables	Mortality rates based on the RP-2000 mortality tables
Termination, disability, and retirement assumptions	Projected on a 5 year (2014-2018) experience study	Projected on a 5 year (2014-2018) experience study	Projected on a 5 year (2009-2013) experience study	Projected on a 5 year (2009-2013) experience study	Projected on a 5 year (2009-2013) experience study

OPEB Plan:

The discount rate changed from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019 for the State of Louisiana OPEB Plan.

Other changes in assumptions as of July 1, 2019 were as follows:

1. Baseline per capita costs were updated to reflect 2019 claims and enrollment and retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected, which decreased the Plan's liability. In addition, the estimate of future EGWP savings was increased based on an analysis of recent EGWP experience. This further reduced the Plan's liability.
2. Life insurance contributions were updated based on schedules for 2020 monthly rates, which reduced the Plan's liability.

5. CHANGES IN ASSUMPTIONS: (Continued)

3. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. This reduced the Plan's liability.
4. Demographic assumptions were revised for the Louisiana State Employees' Retirement System to reflect the recent experience study.

The discount rate changed from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018 for the State of Louisiana OPEB Plan.

Other changes in assumptions as of July 1, 2018 were as follows:

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

The discount rate changed from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017, for the State of Louisiana OPEB Plan.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULES OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

Executive Director: Drew Heaphy

Purpose	2021	2020
Salary	$ 214,131	$ 205,895
Benefit - insurance	20,009	18,528
Benefits - retirement (LASERS)	85,867	83,799
Benefits - retirement (State Deferred Compensation Plan)	17,148	20,150
Vehicle provided by government	10,248	10,248
Per diem	195	567
Reimbursements	2,902	2,640
Travel	1,420	7,210
Membership dues	25	1,005
Registration fees	2,393	4,255
Total	$ 354,338	$ 354,297

See Independent Auditors' Report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the St. Bernard Port, Harbor and Terminal District (the District), a component unit of the State of Louisiana, as of and for the year ended June 30, 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 28, 2022.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

January 28, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

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

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

Report on Compliance for Each Major Program

We have audited the St. Bernard Port, Harbor, and Terminal District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

January 28, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Program Title	AL Number	Grant Number	Federal Expenditures
Department of Homeland Security			
Passed Through the State of Louisiana:			
Public Assistance Grant	97.036	unknown	$ 783,270
Passed Through the State of Louisiana:			
National Infrastructure Investments	20.933	unknown	2,205,086
Total Department of Homeland Security			2,988,356
Total Federal Assistance Expended			$ 2,988,356

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of the St. Bernard Port, Harbor and Terminal District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2. ACCRUED AND DEFERRED REIMBURSEMENT

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

3. PAYMENTS TO SUBRECIPIENTS

There were no payments to sub-recipients for the year ended June 30, 2021.

4. DE MINIMIS COST RATE

The St. Bernard Port, Harbor and Terminal District elected to not use the 10% De Minimis indirect cost rate.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

A. SUMMARY OF AUDIT RESULTS

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

2. No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of Financial Statements Performed in Accordance With Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements were disclosed during the audit.

4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance Required by the Uniform Guidance.*

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

6. The auditors' report disclosed no findings that were required to be reported in accordance with the Uniform Guidance.

7. A management letter was not issued for the year ended June 30, 2021.

8. The programs tested as major programs were:

	AL#
National Infrastructure Investments	20.933

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

10. St. Bernard Port, Harbor and Terminal District qualified as a low-risk auditee.

B. FINDINGS FINANCIAL STATEMENT AUDIT

Not applicable.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

Not applicable.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Not applicable.

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

Not applicable.