

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners
 Greater Krotz Springs Port Commission
 Krotz Springs, Louisiana

We have reviewed the accompanying financial statements of the business-type activities of the Greater Krotz Springs Port Commission as of and for the year ended June 30, 2019, which collectively comprise the Greater Krotz Springs Port Commission's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting where we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated October 7, 2019, on the results of our agreed-upon procedures.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

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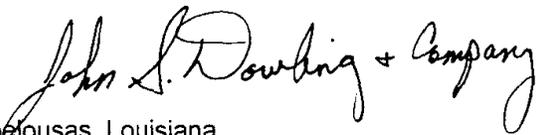
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The Board of Commissioners
Greater Krotz Springs Port Commission
Krotz Springs, Louisiana
Page 2

Accounting principles generally accepted in the United States of America require that the Schedule of Employer's Share of Net Pension Liability and Schedules of Employer Contributions on pages 24 and 25 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Supplementary Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer as listed in the table of contents on page 27 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management, and such information was derived from, and relates directly to, the underlying records used to prepare the financial statements. The supplementary information was subjected to the review procedures applied in the review of the basic financial statements and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in conformity with the applicable financial reporting framework. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.


Opelousas, Louisiana
October 7, 2019

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND</u>
<u>ASSETS</u>	<u>2019</u>
Cash	\$ 219,641
Investments	3,806,054
Leases receivable	1,605
Interest receivable	1,502
Prepaid insurance	8,200
Capital assets (net)	<u>2,251,356</u>
<u>Total assets</u>	<u>6,288,358</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension	<u>145,162</u>
<u>LIABILITIES</u>	
Accounts payable	2,953
Accrued payroll and benefits	3,446
Net pension liability	371,071
Unearned lease revenues	<u>66,371</u>
<u>Total liabilities</u>	<u>443,841</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension	<u>4,954</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,251,356
Unrestricted	<u>3,733,369</u>
<u>Total net position</u>	<u>5,984,725</u>

See accompanying notes and independent accountant's review report.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND
	2019
<u>OPERATING REVENUES</u>	
Leases	\$ 389,912
Tonnage and docking fees	27,170
Miscellaneous income	1,052
<u>Total operating revenues</u>	418,134
<u>OPERATING EXPENSES</u>	
Commissioners per diem	27,975
Salaries and benefits	147,406
Taxes	3,742
Travel	2,962
Meetings and conventions	49,913
Dues	4,745
Advertising and promotion	2,376
Professional fees	17,054
Insurance	14,706
Telephone and utilities	7,799
Repairs and maintenance	3,031
Office expense	9,685
Depreciation	122,443
<u>Total operating expenses</u>	413,837
<u>OPERATING INCOME (LOSS)</u>	4,297
<u>NON-OPERATING REVENUES</u>	
Interest income	65,306
<u>Total non-operating revenues</u>	65,306
<u>INCREASE (DECREASE) IN NET POSITION</u>	69,603
<u>NET POSITION</u> , beginning of year	5,915,122
<u>NET POSITION</u> , end of year	5,984,725

See accompanying notes and independent accountant's review report.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES PROPRIETARY FUND
	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Received from customers	\$ 403,451
Paid to suppliers	(112,248)
Paid to employees	(182,139)
<u>Net cash provided by operating activities</u>	109,064
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Purchase of fixed assets	(15,714)
<u>Net cash used by capital and related financing activities</u>	(15,714)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of investments	(1,200,000)
Interest on investments	15,015
Proceeds from the sale of investment	1,200,000
<u>Net cash provided by investing activities</u>	15,015
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	108,365
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	111,276
<u>CASH AND CASH EQUIVALENTS, end of year</u>	219,641
 <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	
Operating income (loss)	\$ 4,297
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	122,443
Changes in assets and liabilities:	
(Increase) decrease in receivables, net	(216)
(Increase) decrease in prepaid insurance	102
Increase (decrease) in accounts and other payables	(79)
Increase (decrease) in pension expense	(3,498)
Increase (decrease) in deferred income	(14,467)
Increase (decrease) in accrued payroll and benefits	482
<u>Net cash provided by operating activities</u>	109,064

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Greater Krotz Springs Port Commission was created as a political subdivision of the State of Louisiana by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 34:1451-1456. The Port Commission has the power to regulate the commerce and traffic in St. Landry Parish in such a manner as may be best for public interest; and it is empowered to own and have charge of, to administer, construct, operate and maintain wharfs, 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 area under its control.

The Port Commission is governed by a board of commissioners, consisting of eleven members appointed as follows:

1. Three members by the St. Landry Parish Government
2. Two members by the City of Opelousas
3. Two members by the City of Eunice
4. Two members by the Town of Krotz Springs
5. Two members by the St. Landry Parish Municipal Association

The Port's office is located in Krotz Springs, Louisiana, and employs two administrative personnel. The Port's operations are funded entirely through annual self-generated revenues.

The accompanying financial statements of the Greater Krotz Springs Port Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices of the Greater Krotz Springs Port Commission:

A. FINANCIAL REPORTING ENTITY

The Port is reported as a stand-alone entity as defined by GASB Statement No. 14, "The Financial Reporting Entity." The Port is neither fiscally dependent on any other local government, nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements of the Port.

B. BASIS OF PRESENTATION

The Division of Administration of the State of Louisiana has determined that the Greater Krotz Springs Port Commission is a primary government and not a component unit or agency of the State of Louisiana for financial reporting purposes.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. The proprietary fund of the Port utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Port's enterprise fund are charged to tenants for the use of the facilities. Operating expenses for enterprise funds include the cost of maintaining the facilities, administrative expenses, and depreciation on capital assets. All revenues not meeting the definition are reported as non-operating revenues and expenses.

D. CASH AND INVESTMENTS

The Port defines cash and cash equivalents as follows:

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

For the purpose of the statement of cash flows, "cash and cash equivalents" include all demand, pooled cash account, and certificates of deposit with an original maturity of three months or less.

E. RECEIVABLES

Receivables consist of all revenues earned at year-end and not yet received.

F. INVENTORIES

Inventories for supplies are immaterial and are recorded as expenses when purchased.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. CAPITAL ASSETS

All fixed assets are valued at historical cost. The Port maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statements of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statements of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30 Years
Wharfs and docks	30 Years
Road and road improvements	30 Years
Boat launch	30 Years
Mooring dolphin	5 Years
Furniture and equipment	5 Years

H. COMPENSATED ABSENCES

Employees can accumulate up to 400 hours of sick leave; however, no payment is made for accrued and unused sick leave upon termination or retirement. Two weeks of annual leave is earned by each employee; however, any unused portion lapses at the end of the fiscal year.

I. EQUITY CLASSIFICATIONS

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

J. LEASE REVENUES

The Port's revenues include 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. Unearned lease revenues consist of prepaid lease payments.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. ESTIMATES

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

L. PENSIONS

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

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

N. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Greater Krotz Springs Port Commission does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

NOTE (2) - CASH AND INVESTMENTS

Louisiana statutes authorize the Port to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

The carrying amount of the Port's cash and investments at June 30, 2019, was \$4,025,695. The bank balance of cash was \$228,037 and of investments was \$3,806,054 at June 30, 2019. Investments are stated at cost or amortized cost, which approximates market. Investments consist of time certificates of deposit and direct investment in the Louisiana Asset Management Pool (LAMP). Cash and certificates of deposits are fully secured through the pledge of bank-owned securities or federal deposit insurance. Investments in certificates of deposit at June 30, 2019, were \$1,000,017. The Louisiana Asset Management Pool (LAMP) is a cooperative endeavor designed to create a local government investment vehicle. The cooperative endeavor was created at the initiative of the Louisiana State Treasurer's Office.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (2) - CASH AND INVESTMENTS (Continued)

With investment advice provided by a professional investment manager and custody of the assets maintained by a major Louisiana bank, LAMP has been established to improve administrative efficiency and increase investment yield for all depositing members. Investment in LAMP at June 30, 2019, was \$2,806,037. LAMP is currently rated AAAM by Standard & Poor's Ratings Services.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Port's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, \$500,000 of the bank balance was covered by FDIC insurance and \$728,054 was exposed to custodial credit risk. These deposits are uninsured but are collateralized with securities held by the pledging institutions' trust department or agent, but not in the Port's name. The Port does not have a policy for custodial credit risk.

NOTE (3) - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balances 7/1/2018	Increases	Decreases	Balances 6/30/2019
Business-type Activities				
Land	\$ 856,100	\$ -	\$ -	\$ 856,100
Boat launch	600,000	-	-	600,000
Buildings	933,245	13,600	-	946,845
Wharfs and docks	2,104,258	-	-	2,104,258
Road and road improvements	689,657	-	-	689,657
Mooring dolphin	43,119	-	-	43,119
Furniture and equipment	52,074	2,114	-	54,188
<u>Total at historical cost</u>	<u>5,278,453</u>	<u>15,714</u>	<u>-</u>	<u>5,294,167</u>
Less accumulated depreciation				
Boat Launch	83,333	20,000	-	103,333
Buildings	562,152	27,560	-	589,712
Wharfs and docks	1,631,247	47,749	-	1,678,996
Roads and road improvements	561,252	22,988	-	584,240
Mooring dolphin	43,119	-	-	43,119
Furniture and equipment	39,265	4,146	-	43,411
<u>Total accumulated depreciation</u>	<u>2,920,368</u>	<u>122,443</u>	<u>-</u>	<u>3,042,811</u>
Business-type activities capital assets, net	<u>2,358,085</u>	<u>(106,729)</u>	<u>-</u>	<u>2,251,356</u>

Depreciation expense for the year ended June 30, 2019, was \$122,443.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (4) – GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description –

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

Benefits Provided –

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

1. Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hire on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. 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. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (4) - GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

Members of the Harbor Police Retirement System who are members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

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

2. Deferred Benefits

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

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (4) - GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

2. Deferred Benefits (Continued)

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

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

3. Disability Benefits

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

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

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

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

4. Survivor's Benefits

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

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (4) - GENERAL INFORMATION ABOUT THE PENSION PLAN (Continued)

4. Survivor's Benefits (Continued)

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

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

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

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

The agency's contractually required composite contribution rate for the year ended June 30, 2018, was 38% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$41,474 for the year ended June 30, 2019.

NOTE (5) - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2019, the Employer reported a liability of \$371,072 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Agency's proportion was 0.005444%, which was a decrease of 0.00002% from its proportion measured as of June 30, 2017.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (5) - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
(Continued)

For the year ended June 30, 2019, the Agency recognized pension expense of \$30,294 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows or resources, (\$33,791).

At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,161
Changes of assumptions	3,776	-
Net difference between projected and actual earnings on pension plan investments	4,812	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	95,100	793
Employer contributions subsequent to the measurement date	41,474	-
Total	<u>145,162</u>	<u>4,954</u>

\$41,474 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019.

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

Year ended June 30:

2019	\$ 104,682
2020	4,478
2021	(9,068)
2022	(1,358)
Total	<u>98,734</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (5) - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF
RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
(Continued)

Actuarial Assumptions (Continued)

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining	
Service Lives	3 years
Investment Rate of Return	7.65% per annum, net of investment expenses*
Inflation Rate	2.75% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2009-2013 experience study of the System's members.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

* The investment rate of return used in the actuarial valuation for funding purposes was 8.05%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.83%, which is reasonably close to the 7.65% discount rate. Therefore we conclude that the 7.65% discount is reasonable.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.83% for June 30, 2018.

The discount rate used to measure the total pension liability was 7.65%. 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 actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (5) - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
(Continued)

Based on those assumptions, the System'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.

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

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.65%, as well as what the employers' 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.

	<u>1.0% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1.0% Increase (8.65%)</u>
Employer's proportionate share of the net pension liability	\$ 468,232	\$ 371,072	\$ 287,267

Retirement System Audit Reports

The Louisiana State Employees' Retirement System has issued stand-alone audit reports on their financial statements for the years ended June 30, 2018 and 2017. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov and the System's website, www.lasersonline.org.

NOTE (6) - PAYABLES TO THE PENSION PLAN

At June 30, 2019, the Port did not have a payable to LASERS for the employee and the employer portions of contractually required contributions to the pension plan.

NOTE (7) - LEASE REVENUES

The Port negotiates lease-rental and user contracts with companies for the use of the Port's wharfs, docks, land and warehouses. Fees are composed of minimum lease payments and, in certain contracts, additional rates based upon the volume of commodities moved across the docks leased.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (7) - LEASE REVENUES (Continued)

The total lease and tonnage revenue, lease receivable and unearned lease revenue earned in the fiscal year ended June 30, 2019, was as follows:

	<u>LEASE AND TONNAGE REVENUE</u>	<u>LEASE RECEIVABLE</u>	<u>UNEARNED LEASE REVENUE</u>
Cabot Corp			
Lease	\$ 11,150	\$ 1,605	\$ -
Tonnage	27,170	-	-
Delek USA-Monthly	262,815	-	-
Delek USA-Yearly Warehouse	53,717	-	27,182
Town of Krotz Springs	100	-	81
Mid-River Terminal	56,730	-	33,438
Jerry Disotell	-	-	1,616
Justin Fuselier	5,400	-	4,054
	<u>417,082</u>	<u>1,605</u>	<u>66,371</u>

A summary of current leases follows:

Cabot Corporation

On April 5, 1993, (amended on September 13, 1993), the Port entered into a lease with Cabot Corporation for the use of 5.58 acres of land, more or less, which includes a basic rent and one cent per barrel for all material, either incoming or outgoing, moved across the dock. The Port also granted several easements, servitudes, rights-of-way, rights of passage, etc. for Cabot Corporation to conduct its business. The term of the lease is for 5 years from April 5, 1993 with Cabot Corporation having the option to extend the lease on the same terms for 4 additional 5 year terms, unless giving notice in writing to the Port 60 days in advance of the end of a particular 5 year term to renew. (The lease was in its fourth renewal period, which extended the lease until April 5, 2018.)

The lease extension for Cabot Corporation ending April 5, 2018 was reviewed and a new lease agreement was entered into. The term of the lease is for 5 years, commencing on April 5, 2018 and ending on April 4, 2023, with Cabot Corporation having the option to extend the lease on the same terms for 4 additional 5 year terms, unless giving notice in writing to the Port 60 days in advance of the end of a particular 5 year term to renew.

Cabot Corporation guarantees a 30,000-barrel minimum per month throughput, said one cent per barrel charge to accrue on October 1, 1993, and shall be due on a calendar month basis thereafter. Cabot Corporation shall furnish to the Port a monthly throughput report no later than 30 days following the end of the month covered by each report. The additional rent shall be adjusted at the beginning of each option year to reflect the increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (CPI-U), South Region.

Lease and tonnage revenue for the fiscal year ended June 30, 2019 for Cabot Corporation was \$25,565.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (7) - LEASE REVENUES (Continued)

Delek USA

On May 13, 1993, the Port entered into a lease with Phibro Energy USA, Inc. for the use of certain tracts or parcels of land and/or rights of way designated as Tract 2-A containing 10.16 acres, Tract 3 containing 5.29 acres, Tract 4 containing 1.46 acres, and Tract 5 containing 2.95 acres. In addition, Phibro shall have a pipeline and road right-of-way for the existing Phibro pipelines and the existing roads, etc.

The surface lease agreement shall be for a period of 10 years commencing on January 1, 1993, and ending on December 31, 2002, subject to Phibro's option to extend or renew this lease for one additional 5 year period commencing on January 1, 2003, and terminating on December 31, 2007, on the same terms and conditions as contained herein.

Phibro agrees to pay a monthly rental of \$15,285, due and payable on or before the 15th day of each month beginning March 15, 1993, and like installment due and payable on or before the 15th day of each month thereafter. The rental shall be adjusted by 25% of the CPI adjustment on January 1st of each year of the primary lease and any extension thereof.

In May 1997, Basis Petroleum, Inc. (formerly known as Phibro Energy USA, Inc.) sold all of its capital stock to Valero Refining and Marketing Company, a wholly owned subsidiary of Valero Energy Corporation.

On February 5, 2007, the lease with Valero Refining was extended to December 31, 2017, with one option to extend the lease for one 5-year period. In addition, lease payments will adjust on January 1st of each year in accordance with the original lease.

On June 2, 2008, the Port agreed to assign the lease to Alon Refining Krotz Springs, Inc. after its acquisition of the facilities from Valero Refining.

On July 1, 2018, the Port agreed to assign the lease to Delek USA after its acquisition of the facilities from Alon Refining Krotz Springs, Inc.

The monthly rental from July to December was \$21,698 and the present monthly rental is \$22,104. Lease revenue for the fiscal year ended June 30, 2019 for Delek (Alon) USA was \$262,815.

On January 1, 2006, the Port entered into a lease with Valero Refining Company - Louisiana for the use of a 16,000 sq. ft. warehouse and 11.58 acres situated in Section 15, T-6-S, R-7-E, St. Landry Parish. The term of the lease is 10 years, commencing January 1, 2006, with the option to extend the lease on the same terms for 2 additional 10-year terms. The original terms of the lease were \$17,370 per year land rental and \$24,000 per year warehouse rental. The rental has been adjusted annually to reflect the changes in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (CPI-U), South Region.

On June 2, 2008, the Port agreed to assign the lease to Alon Refining Krotz Springs, Inc. after its acquisition of the facilities from Valero Refining.

On July 1, 2018, the Port agreed to assign the lease to Delek USA after its acquisition of the facilities from Alon Refining Krotz Springs, Inc.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (7) - LEASE REVENUES (Continued)

Delek USA (Continued)

Lease revenue for the fiscal year ended June 30, 2019 for Delek USA was \$53,717.

Town of Krotz Springs

In April of 2014, the Port entered into an annual operating lease agreement with the Town of Krotz Springs for the boat launch ramp and .913 acres, including the parking area to the Town of Krotz Springs. The Town will operate and maintain the boat ramp for the use of the public. The Town shall pay the Port \$100 annually on the 23rd of April each year. The lease term is for 5 years, commencing on April 23, 2014, with the option to extend the lease for an additional 5-year term. Either party may cancel this lease upon 60 days written notice to the other.

Lease revenue for the fiscal year ended June 30, 2019 for the Town of Krotz Springs was \$100.

Mid-River Terminal

Mid-River Terminal, LLC is a Louisiana based company with extensive oil and gas experience. Mid-River will build a state-of-the-art facility for transferring petroleum products into and out of standard river barges for inland throughput. Mid-River will bring in product, possibly blend the product as per customers specifications, store the product and then barge out to customers.

On May 1, 2014, (amended on May 1, 2015) the Port entered into a lease agreement with Mid-River Terminal, LLC for approximately 35 acres of land together with all buildings, construction, and improvements presently situated on or subsequently erected upon the land.

Initial term – The initial term of the lease shall commence on the effective date of the lease for a period of 1 year for a base rent of \$30,000 per annual lease to be paid in advance. During this term, Mid-River, in its sole and absolute discretion by giving written notice to the Port, may either extend the initial term for another 12 months, elect to terminate the lease, or elect to continue the lease and commence construction of its facility.

As of May 1, 2015, Mid-River Terminal, LLC has extended the initial term for an additional 12 months for a base rent of \$40,137.

As of May 1, 2017, Mid-River Terminal, LLC has extended the initial term for an additional 6 months.

As of May 1, 2018, Mid-River Terminal, LLC has extended the initial term for an additional 12 months with a base rent of \$40,148.

As of May 1, 2019, the Port has amended the lease agreement with Mid-River Terminal, LLC. The initial term that was set to terminate on May 1, 2019 was extended through April 30, 2021. (This was the eighth amendment to the Mid-River lease agreement.)

Construction term - The construction term shall commence on the first day of the third full month following the written notice delivery date from Mid-River and shall run for a period not to exceed 5 years from the construction commencement date at an annual rent of \$50,000 payable annually in advance.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (7) - LEASE REVENUES (Continued)

Mid-River Terminal (Continued)

Primary term - The primary term shall commence on the first day of the first calendar quarter following the commercial operations date and shall continue for two 5-year terms with annual base rent of \$65,000 per annual paid quarterly in advance for the first 5 years and \$75,000 per annual paid quarterly in advance for the second 5- year term. Mid-River will have the option to extend this lease for 10 annual renewal periods of 5 years each at a rate set by a prescribed index as defined in the lease agreement.

In addition to the base rent during the primary term, Mid-River shall also pay an additional rent ("Tariff Rent") on "throughput" barrels of product delivered to third parties, calculated as prescribed in the schedule contained in the lease agreements and payable in arrears, within 45 days after the last day of each calendar quarter. The tariff rent shall be adjusted upon the renewal of the lease based upon the same index as prescribed for the base rent.

Lease revenue for the fiscal year ended June 30, 2019 for Mid-River Terminal was \$56,730.

Jerry Disotell

On May 9, 2016, the Port entered into a lease for Jerry Disotell for a term of 3 years, commencing on July 1, 2016, and ending on June 30, 2019. The annual lease will be for \$2,626 per year. On June 30, 2019, the Port entered into a new lease for Jerry Disotell for a term of 3 years, commencing on July 1, 2019, and ending on June 30, 2022. The new annual lease will be for \$1,616 per year.

Lease revenue for the fiscal year ended June 30, 2019 for Jerry Disotell was \$0.

Justin Fuselier

On April 1, 2017, the Port entered into a lease for Justin Fuselier for a term of one year, commencing on April 1, 2017, and ending on March 31, 2018. On March 31, 2018, Justin Fuselier renewed the hunting lease for 3 years, commencing on April 1, 2018, and ending on March 31, 2021. The annual lease will be for \$5,400 per year.

Lease revenue for the fiscal year ended June 30, 2019 for Justin Fuselier was \$5,400.

NOTE (8) - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal year ended June 30, 2019.

NOTE (9) - RISK MANAGEMENT

The Port is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The Port carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2019, from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE (10) - COMPENSATION PAID TO COMMISSIONERS

The schedule of per diem payments to Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$75 for each meeting they attend, as authorized by Louisiana Revised Statute 34:1451.

The amounts paid to Board Commissioners during the year ended June 30, 2019, are as follows:

<u>Member</u>	<u>2019</u>
Senic Batiste	\$ 2,775
Cheryl L. Carter	2,475
Clovis Cornelius	2,700
Paul J. Dicapo	2,775
Vernon Haynes	1,575
Marcus R. Majors, Jr.	2,250
Monita Reed	2,700
James Soileau	2,700
Michael R. Thibodeaux	2,625
William Thompson	2,625
Kenneth Vidrine	2,775
	<u>27,975</u>

NOTE (11) - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 7, 2019, which is the date the financial statements were available to be issued. As of October 7, 2019, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
JUNE 30, 2019

Date	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.00544%	\$ 371,072	\$ 109,429	339.10%	64.3%
2018	0.00546%	384,109	109,141	351.94%	62.5%
2017	0.00141%	110,642	105,525	104.85%	57.7%
2016	0.00564%	383,469	108,497	353.44%	62.7%
2015	0.00581%	363,230	106,981	339.53%	65.0%

*The amounts presented have a measurement date of the previous fiscal year end.

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

See independent accountant's review report.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
SCHEDULES OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2019

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2019	\$ 41,365	\$ 41,365	\$ -	\$ 109,429	38%
2018	38,558	37,778	780	109,141	35%
2017	9,486	40,361	(30,875)	105,525	38%
2016	39,810	39,438	372	108,497	36%
2015	35,741	33,485	2,256	106,981	31%

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

See independent accountant's review report.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for the year ended June 30, 2019.

CHANGES OF ASSUMPTIONS

The investment rate of return decreased from 7.70% to 7.65% and the inflation rate remained the same at 2.75% for the valuation dated June 30, 2018.

See independent accountant's review report.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2019

Agency Head Name: E. Lynn Lejeune

Purpose	Amount
Salary	\$ 69,300
Benefits-insurance	-
Benefits-retirement	29,766
Benefits-<list any other here>	-
Car allowance	9,240
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	3,922
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses*	-
Special meals	-

See independent accountant's review report.

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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Van L. Auld, CPA

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
 Greater Krotz Springs Port Commission
 Krotz Springs, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Greater Krotz Springs Port Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Greater Krotz Springs Port Commission's compliance with certain laws and regulations during the year ended June 30, 2019, included in the accompanying Louisiana Attestation Questionnaire. Management of Greater Krotz Springs Port Commission is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$154,450.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list including the noted information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

To the Board of Directors
Greater Krotz Springs Port Commission
Page 2

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees listed in Procedure 3 were included on the list obtained in Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether vendors appear on both lists.

Management provided us with the required list including the noted information. None of the businesses of the board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Greater Krotz Springs Port Commission's operations are accounted for in a Proprietary Fund, which is not required to adopt a budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

Greater Krotz Springs Port Commission's operations are accounted for in a Proprietary Fund, which is not required to adopt a budget.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

Greater Krotz Springs Port Commission's operations are accounted for in a Proprietary Fund, which is not required to adopt a budget.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and all of the six disbursements were coded to the correct general ledger account.

To the Board of Directors
Greater Krotz Springs Port Commission
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(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated the proper approval according to the Board's current policy. The current policy is that the Executive Director signs or initials the invoice for approval and one of the Board Commissioners that has signature authority signs the check.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Agendas for all meetings were posted. We examined copies of agendas kept with meeting minutes.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the Port for the year indicated no such payments or approval of payments to employees. We also inspected payroll disbursements and records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Port's report was submitted before the due date of December 31, 2019.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Port did not enter into any contracts that utilized state funds nor were subject to the public audit law.

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Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated October 1, 2018, included one comment, which was resolved.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Greater Krotz Springs Port Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "John S. Dawling + Company". The signature is written in black ink and is positioned above the typed name and date.

Opelousas, Louisiana
October 7, 2019

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
JUNE 30, 2019

Section I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

No findings.

Section II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

Section III – MANAGEMENT LETTER

No findings.

GREATER KROTZ SPRINGS PORT COMMISSION
KROTZ SPRINGS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2019

Section I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Compliance and Internal Control

2018-1 Misappropriation of Funds

Resolved.

Section II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

Section III – MANAGEMENT LETTER

No findings.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

7/1/2019 (Date Transmitted)

JOHN S. DOWLING & COMPANY (CPA Firm Name)
PO BOX 1549 (CPA Firm Address)
OPELOUSAS, LA 70571-1549 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/19 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

