



August 28, 2026

Louisiana Legislative Auditor
PO Box 94397
Baton Rouge, LA 70804-9397

Re: Resubmission of St. Bernard Port, Harbor and Terminal District – June 30, 2025 Audited Financial Statements

To Whom It May Concern:

Please find enclosed the revised annual audit report for St. Bernard Port, Harbor and Terminal District (the District) for the fiscal year ended June 30, 2025. This submission replaces the version previously filed with your office.

Subsequent to the initial completion and filing of the audit on December 5, 2025, the District revised its Schedule of Expenditures of Federal Awards to include a federal program that had previously been omitted. In connection with the revised Schedule, we performed additional procedures related to the Schedule of Expenditures of Federal Awards. Our opinion on the financial statements remains unchanged.

If you have any further comments or questions please let us know.

New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED

JUNE 30, 2025 AND 2024



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of St. Bernard Port, Harbor and Terminal District (the "District") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 17 to the financial statements, certain miscalculations resulting in cumulative understatement of amounts previously reported for beginning net position and revenue as of and for the year ended June 30, 2024, were discovered by management of the District during the current year. Accordingly, amounts reported for net position and revenue have been restated in the June 30, 2025 financial statements now presented, and an adjustment has been made to beginning net position and revenue as of and for the year ended June 30, 2024, to correct the miscalculation. Our opinion is not modified with respect to that matter.



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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 5 through 9 and 45 through 51, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not required parts of the basic financial statements.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head, the schedule of board of commissioners' compensation, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

Other Matter-Revised Schedule of Expenditures of Federal Awards

We previously issued our report dated December 5, 2025 on the financial statements of the District as of and for the year ended June 30, 2025. Subsequent to the issuance of that report, the District revised its Schedule of Expenditures of Federal Awards to include a federal program that had previously been omitted. In connection with the revised Schedule, we performed additional procedures related to the Schedule of Expenditures of Federal Awards. We did not perform additional audit procedures with respect to the financial statements subsequent to December 5, 2025, and our opinion on the financial statements remains unchanged.

December 5, 2025, except for our report on the Schedule of Expenditures of Federal Awards in the Supplementary Information section and the Other Matter – Revised Schedule of Expenditures of Federal Awards section, as to which the date is August 28, 2026.
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION – PART I

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Our discussion and analysis of the St. Bernard Port, Harbor and Terminal District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The District's annual financial report consists of financial statements that report information about the District's most significant activities.

An outline of the annual financial report's content is as follows:

- I. Independent Auditors' Report
- II. Required Supplementary Information
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Other Supplementary Information

Our auditor has provided assurance in their independent auditors' report on pages 1 through 4 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

FINANCIAL HIGHLIGHTS

The following analysis focuses on the net position and the change in net position of the District as a whole.

Condensed Statements of Net Position
As of June 30, 2025 and 2024
(in thousands)

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 34,738	\$ 42,219
Capital assets, net	<u>111,215</u>	<u>106,270</u>
Total assets	<u>145,953</u>	<u>148,489</u>
Deferred outflows of resources	<u>849</u>	<u>940</u>
Current liabilities	1,933	2,139
Long-term obligations	<u>21,627</u>	<u>23,450</u>
Total liabilities	<u>23,560</u>	<u>25,589</u>
Deferred inflows of resources	<u>22,618</u>	<u>24,799</u>
Net position:		
Net investment in capital assets	94,067	87,984
Restricted	1,332	1,183
Unrestricted	<u>5,226</u>	<u>9,874</u>
Total net position	<u>\$ 100,625</u>	<u>\$ 99,041</u>

The District's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2025 by \$100,625,192, which represents an increase over the prior year fiscal year end of approximately \$1,584,000 or 1.6%.

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

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

FINANCIAL HIGHLIGHTS (CONTINUED)

**Condensed Statements of Revenues, Expenses, and Changes in
Fund Net Position**

For the Years Ended June 30, 2025 and 2024

(in thousands)

	<u>2025</u>	<u>2024</u>
Operating revenues	\$ 6,918	\$ 6,695
Operating expenses	<u>(10,617)</u>	<u>(10,435)</u>
Operating loss	(3,699)	(3,740)
Non-operating revenues	1,754	2,291
Capital contributions	<u>3,529</u>	<u>3,727</u>
Net increase in fund net position	1,584	2,278
Net position - beginning of year	<u>99,041</u>	<u>96,763</u>
Net position - end of year	<u><u>\$ 100,625</u></u>	<u><u>\$ 99,041</u></u>

The District's total operating revenues increased by approximately \$223,000 or 4.97% primarily due to increased lease revenue. The total operating expenses increased by approximately \$182,000 or 1.74%.

The District's non-operating revenues and expenses decreased by approximately \$537,000 or 23.4% primarily due to the decrease in interest earned. The District's capital contributions decreased by approximately \$198,000 or 5.3% primarily due to a decrease in intergovernmental revenues.

The 2024 numbers presented above include a prior period restatement of \$317,839 operating revenues and \$834,016 for beginning net position. See Note 17 for more information.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

CAPITAL ASSETS

At June 30, 2025, the District had net capital assets of \$111,215,370, net of accumulated depreciation and amortization of \$97,568,017, including land, buildings and improvements, dock, barge and marina facilities, furniture and equipment, construction in progress, and lease assets. This amount represents a net increase of \$4,945,256, which was primarily attributable to current year construction in progress offset by depreciation expense.

Capital Assets, Net of Depreciation
As of June 30, 2025 and 2024
(in thousands)

	2025	2024
Land	\$ 14,541	\$ 14,541
Construction in progress	3,938	40,711
Dock and barge facilities	130,768	84,710
Buildings and improvements	55,408	54,459
Furniture and equipment	2,711	2,743
Intangible right of use assets	1,417	1,417
Total capital assets	208,783	198,581
Less: accumulated depreciation	97,214	92,080
Less: accumulated amortization	354	232
Total accumulated depreciation and amortization	97,568	92,312
Total capital assets, net	<u>\$ 111,215</u>	<u>\$ 106,270</u>

LONG-TERM OBLIGATIONS

At June 30, 2025 the District's total long-term obligations decreased by approximately \$2,029,000, primarily due to principal payments of \$1,015,000 on bonds payable and a decrease in net pension liability.

Long-term Obligations
As of June 30, 2025 and 2024
(in thousands)

	2025	2024
Compensated absences	\$ 351	\$ 408
Lease liability	935	1,063
Bonds payable	15,040	16,085
Other postemployment benefits	2,231	2,113
Net pension liability	3,069	3,780
Total long-term obligations	<u>\$ 21,627</u>	<u>\$ 23,450</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
(STATE OF LOUISIANA)
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The 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.
- The Chalmette Slip renovation project has been completed. This \$39.8 million dollar project has increased tonnage capacity while enhancing safety and efficiency. This will help the District continue to remain competitive by increasing the Slip’s dockage capacity by 20%.
- The District had approximately 300 ship calls and handled 7 million tons of cargo during the year ended June 30, 2025.

REQUESTS FOR INFORMATION

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.

BASIC FINANCIAL STATEMENTS

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	2025	Restated 2024
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 9,379,851	\$ 15,537,467
Accounts receivable	176,701	238,668
Prepaid expenses	975,810	1,012,904
Due from other governmental units	5,725	95,302
Lease receivables, current portion	2,842,116	2,774,970
Total current assets	<u>13,380,203</u>	<u>19,659,311</u>
<u>RESTRICTED ASSETS:</u>		
Cash - employee savings	27,695	27,695
Cash equivalents - construction and loan payments	1,304,034	1,155,117
Total restricted assets	<u>1,331,729</u>	<u>1,182,812</u>
<u>NON-CURRENT ASSETS:</u>		
Lease receivables, net of current portion	20,026,336	21,376,602
Total non-current assets	<u>20,026,336</u>	<u>21,376,602</u>
<u>CAPITAL ASSETS:</u>		
Land	14,541,452	14,541,452
Construction in progress	3,937,571	40,710,830
Dock and barge facilities	130,768,373	84,710,180
Buildings and improvements	55,407,763	54,459,158
Furniture and equipment	2,710,988	2,743,247
Intangible right to use	1,417,240	1,417,240
Total capital assets	<u>208,783,387</u>	<u>198,582,107</u>
Less: accumulated depreciation	97,213,576	92,080,416
Less: accumulated amortization	354,441	231,577
Total accumulated depreciation and amortization	<u>97,568,017</u>	<u>92,311,993</u>
Total capital assets, net	<u>111,215,370</u>	<u>106,270,114</u>
 Total assets	 <u>145,953,638</u>	 <u>148,488,839</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
OPEB deferrals	331,817	292,112
Pension deferrals	517,402	648,356
Total deferred outflows of resources	<u>849,219</u>	<u>940,468</u>
 Total deferred outflows	 <u>849,219</u>	 <u>940,468</u>
 Total assets and deferred outflows	 <u>\$ 146,802,857</u>	 <u>\$ 149,429,307</u>

The accompanying notes are an integral part of this financial statement

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2025 AND 2024

	2025	Restated 2024
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 328,070	\$ 728,856
Due to employees - savings	27,695	27,695
Accrued interest payable	133,242	141,617
Unearned revenue	232,505	57,811
Compensated absences, current portion	39,040	45,372
Lease liability, current portion	127,463	122,864
Bonds payable, current portion	1,045,000	1,015,000
Total current liabilities	<u>1,933,015</u>	<u>2,139,215</u>
 <u>LONG-TERM OBLIGATIONS:</u>		
Compensated absences, net of current portion	351,357	408,349
Lease liability, net of current portion	935,336	1,062,799
Bonds payable, net of current portion	15,040,000	16,085,000
Other postemployment benefits	2,231,003	2,113,334
Net pension liability	3,069,167	3,780,170
Total long-term obligations	<u>21,626,863</u>	<u>23,449,652</u>
 Total liabilities	<u>23,559,878</u>	<u>25,588,867</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>		
OPEB deferrals	741,638	910,488
Pension deferrals	383,414	263,505
Unearned revenue	-	625,629
Deferred leases	21,492,735	22,999,717
Total deferred inflows of resources	<u>22,617,787</u>	<u>24,799,339</u>
 <u>NET POSITION:</u>		
Net investment in capital assets	94,067,571	87,984,451
Restricted for:		
Debt service	1,304,034	1,155,117
Other purposes	27,695	27,695
Unrestricted	<u>5,225,892</u>	<u>9,873,838</u>
 Total net position	<u>100,625,192</u>	<u>99,041,101</u>
 Total liabilities, deferred inflows, and net position	<u>\$ 146,802,857</u>	<u>\$ 149,429,307</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>Restated 2024</u>
<u>OPERATING REVENUES:</u>		
Lease revenues	\$ 6,416,197	\$ 6,306,399
Other fees and permits	<u>501,860</u>	<u>388,767</u>
Total operating revenues	<u>6,918,057</u>	<u>6,695,166</u>
<u>OPERATING EXPENSES:</u>		
Personnel services	2,390,645	2,201,975
Supplies and materials	196,402	64,803
Other services and charges	2,199,280	2,210,235
Promotions and marketing	156,518	162,430
Professional services	422,101	931,793
Depreciation	<u>5,251,754</u>	<u>4,864,212</u>
Total operating expenses	<u>10,616,700</u>	<u>10,435,448</u>
Operating loss	<u>(3,698,643)</u>	<u>(3,740,282)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>		
Taxes - ad valorem	1,919,672	1,739,213
Loss on disposal of capital assets	(535)	(25,239)
Interest earned	609,411	1,058,152
Interest expense on long-term debt	(496,463)	(524,316)
Miscellaneous expense	(375,184)	(367,739)
Miscellaneous revenue	115,107	332,117
Intergovernmental revenues	125,000	125,000
Expropriation legal expenses	<u>(142,780)</u>	<u>(45,719)</u>
Total non-operating revenues	<u>1,754,228</u>	<u>2,291,469</u>
<u>CAPITAL CONTRIBUTIONS:</u>		
Intergovernmental revenues	<u>3,528,506</u>	<u>3,727,331</u>
Total capital contributions	<u>3,528,506</u>	<u>3,727,331</u>
Change in fund net position	1,584,091	2,278,518
Net position - beginning of year, as restated	<u>99,041,101</u>	<u>96,762,583</u>
Net position - end of year	<u>\$ 100,625,192</u>	<u>\$ 99,041,101</u>

The accompanying notes are an integral part of this financial statement

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from services	\$ 6,305,227	\$ 7,480,829
Payments to vendors	(3,337,993)	(3,123,609)
Payments to employees	<u>(3,004,995)</u>	<u>(2,670,389)</u>
Net cash provided (used by) by operating activities	<u>(37,761)</u>	<u>1,686,831</u>
<u>CASH FLOWS FROM NONCAPITAL</u>		
<u>FINANCING ACTIVITIES:</u>		
Ad valorem tax receipts	1,919,672	1,739,213
Expropriation legal fees	(142,780)	(45,719)
State revenue sharing	<u>125,000</u>	<u>125,000</u>
Net cash provided by noncapital financing activities	<u>1,901,892</u>	<u>1,818,494</u>
<u>CASH FLOWS FROM CAPITAL AND</u>		
<u>RELATED FINANCING ACTIVITIES:</u>		
Capital grants	3,618,083	5,114,757
Grant administrative expenses	(375,184)	(367,739)
Principal payments on loans	(1,023,375)	(998,169)
Interest paid on loans	(496,463)	(524,316)
Proceeds from insurance	115,107	332,117
Purchases of capital assets	<u>(10,320,409)</u>	<u>(10,600,148)</u>
Net cash (used by) capital and related financing activities	<u>(8,482,241)</u>	<u>(7,043,498)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest earned	<u>609,411</u>	<u>1,058,152</u>
Net cash provided by investing activities	<u>609,411</u>	<u>1,058,152</u>
Net (decrease) in cash and cash equivalents	(6,008,699)	(2,480,021)
Cash and cash equivalents - beginning of year	<u>16,720,279</u>	<u>19,200,300</u>
Cash and cash equivalents - end of year	<u>\$ 10,711,580</u>	<u>\$ 16,720,279</u>

(Continued)

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>RECONCILIATION OF OPERATING LOSS TO NET</u>		
<u>CASH FROM (USED BY) OPERATING ACTIVITIES:</u>		
Operating loss	\$ (3,698,643)	\$ (3,740,282)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	5,251,754	4,864,212
Deferred rent abated	-	(593,468)
Changes in net assets and liabilities:		
Accounts receivable	61,967	466,671
Prepaid expenses	37,094	(14,207)
Lease receivables	1,283,120	2,597,076
Deferred outflows of resources - OPEB deferrals	(39,705)	46,979
Deferred outflows of resources - pension deferrals	130,954	400,296
Accounts payable	(400,786)	259,859
Due to employees - savings	-	12,553
Deferred revenue	174,694	11,202
Compensated absences	(63,324)	17,471
Other postemployment benefits	117,669	187,226
Net pension liability	(711,003)	(521,247)
Deferred inflows of resources - OPEB deferrals	(168,850)	(383,990)
Deferred inflows of resources - pension deferrals	119,909	(227,702)
Unearned revenue	(625,629)	625,629
Deferred leases	<u>(1,506,982)</u>	<u>(2,321,447)</u>
Net cash from (used by) operating activities	<u>\$ (37,761)</u>	<u>\$ 1,686,831</u>
<u>RECONCILIATION OF CASH AND CASH</u>		
<u>EQUIVALENTS TO STATEMENT OF NET ASSETS:</u>		
Cash and cash equivalents - current assets	\$ 9,379,851	\$ 15,537,467
Cash and cash equivalents - restricted assets	<u>1,331,729</u>	<u>1,182,812</u>
Cash and cash equivalents - end of year	<u>\$ 10,711,580</u>	<u>\$ 16,720,279</u>

The accompanying notes are an integral part of this financial statement

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

(1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 (LA R.S.) 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

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

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:

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (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.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits, short-term investments, 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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The estimated useful lives are as follows:

Docks and barge facilities	7-39 years
Buildings and improvements	7-39 years
Furniture and equipment	2-10 years
Lease assets	20 years

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 uses are limited by applicable loan covenants.

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

Compensated Absences

Employees earn and accumulate annual and sick leave of various rates, depending on the years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or the employee's estate are compensated for up to 480 hours of unused annual leave and 200 hours of sick leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual and sick leave in excess of 480 and 200 hours, respectively, is used to compute retirement benefits. In addition, it is the District's policy to pay any accumulated compensatory leave at the employee's hourly rate of pay at the time of termination. In accordance with GASB Statement No. 101, a liability for compensated absences is recognized when the leave is earned and accumulated by employees. The liability is measured using the pay or salary rates in effect as of the financial reporting date.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 four items that meet the criterion for this category, deferred amounts related to unearned income, pensions, other postemployment benefits, and leases.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(2) CASH AND CASH EQUIVALENTS

At June 30, 2025 and 2024, the District has cash bank and book balances as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Bank</u>	<u>Book</u>	<u>Bank</u>	<u>Book</u>
	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
Demand deposits	\$ 28,576	\$ 27,695	\$ 27,695	\$ 27,695
Cash equivalents	<u>11,134,824</u>	<u>10,683,885</u>	<u>16,895,085</u>	<u>16,692,584</u>
	<u><u>\$ 11,163,400</u></u>	<u><u>\$ 10,711,580</u></u>	<u><u>\$ 16,922,780</u></u>	<u><u>\$ 16,720,279</u></u>

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, 2025 bank deposits in the amount of \$186,625 were not insured. At June 30, 2024, the District's bank deposits were fully insured.

Cash equivalents at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Government pooled investments - held by the Louisiana Asset Management Pool (LAMP)	\$ 4,531,085	\$ 4,322,536
Federated Investors Government Obligations Money Market Fund	6,151,258	12,369,546
Restricted U.S. Treasury money market funds	<u>1,542</u>	<u>502</u>
Total cash equivalents	<u><u>\$ 10,683,885</u></u>	<u><u>\$ 16,692,584</u></u>

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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

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 LA R.S 33:2955. LAMP is rated AAA by Standard & Poor's.

(3) INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues for the years ended June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Non-operating:		
State of Louisiana revenue sharing	\$ 125,000	\$ 125,000
Capital contributions:		
State and federal grants	<u>3,528,506</u>	<u>3,727,331</u>
Total intergovernmental revenues	<u>\$ 3,653,506</u>	<u>\$ 3,852,331</u>

Amounts due from other governmental units consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
State of Louisiana	\$ -	\$ 89,870
St. Bernard Parish Tax Collector	<u>5,725</u>	<u>5,432</u>
Total intergovernmental receivables	<u>\$ 5,725</u>	<u>\$ 95,302</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(4) CAPITAL ASSETS

A summary of changes in capital assets and depreciation for the years ended June 30, 2025 and 2024 were as follows:

	Balance 06/30/2024	Additions	Retirements	Completed Construction	Balance 06/30/2025
Capital assets not being depreciated:					
Land	\$ 14,541,452	\$ -	\$ -	\$ -	\$ 14,541,452
Construction in progress	40,710,830	9,720,434	-	(46,493,693)	3,937,571
Total capital assets not being depreciated	55,252,282	9,720,434	-	(46,493,693)	18,479,023
Other capital assets being depreciated:					
Dock and barge facilities	84,710,180	553,454	(40,348)	45,545,087	130,768,373
Buildings and improvements	54,459,158	948,605	-	-	55,407,763
Furniture and equipment	2,743,247	46,523	(78,782)	-	2,710,988
Total other capital assets	141,912,585	1,548,582	(119,130)	45,545,087	188,887,124
Less accumulated depreciation for:					
Dock and barge facilities	56,352,117	3,492,450	(39,813)	-	59,804,754
Buildings and improvements	33,144,013	1,712,023	-	-	34,856,036
Furniture and equipment	2,584,286	47,282	(78,782)	-	2,552,786
Total accumulated depreciation	92,080,416	5,251,755	(118,595)	-	97,213,576
Other capital assets, net	49,832,169	(3,703,173)	(535)	45,545,087	91,673,548
Intangible right of use assets:					
Leased land	1,417,240	-	-	-	1,417,240
Less accumulated amortization for:					
Leased land	231,577	122,864	-	-	354,441
Intangible right of use assets, net	1,185,663	(122,864)	-	-	1,062,799
Total capital assets being depreciated and amortized, net	51,017,832	(3,826,037)	(535)	45,545,087	92,736,347
Total capital assets, net	<u>\$ 106,270,114</u>	<u>\$ 5,894,397</u>	<u>\$ (535)</u>	<u>\$ (948,606)</u>	<u>\$ 111,215,370</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(4) CAPITAL ASSETS (CONTINUED)

	Balance 06/30/2023	Additions	Retirements	Completed Construction	Balance 06/30/2024
Capital assets not being depreciated:					
Land	\$ 14,441,597	\$ 99,855	\$ -	\$ -	\$ 14,541,452
Construction in progress	31,854,680	9,177,474	-	(321,324)	40,710,830
Total capital assets not being depreciated	46,296,277	9,277,329	-	(321,324)	55,252,282
Other capital assets being depreciated:					
Dock and barge facilities	84,216,529	1,106,076	(933,749)	321,324	84,710,180
Buildings and improvements	54,324,164	134,994	-	-	54,459,158
Furniture and equipment	2,793,025	61,182	(110,960)	-	2,743,247
Total other capital assets	141,333,718	1,302,252	(1,044,709)	321,324	141,912,585
Less accumulated depreciation for:					
Dock and barge facilities	54,229,798	3,030,829	(908,510)	-	56,352,117
Buildings and improvements	31,351,237	1,792,776	-	-	33,144,013
Furniture and equipment	2,654,651	40,607	(110,972)	-	2,584,286
Total accumulated depreciation	88,235,686	4,864,212	(1,019,482)	-	92,080,416
Other capital assets, net	53,098,032	(3,561,960)	(25,227)	321,324	49,832,169
Intangible right of use assets:					
Leased land	1,323,054	-	-	-	1,417,240
Less accumulated amortization for:					
Leased land	133,700	97,877	-	-	231,577
Intangible right of use assets, net	1,189,354	(97,877)	-	-	1,185,663
Total capital assets being depreciated and amortized, net	54,287,386	(3,659,837)	(25,227)	321,324	51,017,832
Total capital assets, net	\$ 100,583,663	\$ 5,617,492	\$ (25,227)	\$ -	\$ 106,270,114

Depreciation expense amounted to \$5,251,754 and \$4,864,212 for the years ended June 30, 2025 and 2024, respectively.

Amortization expense amounted to \$122,864 and \$97,877 for the years ended June 30, 2025 and 2024, respectively, and is included in other services and charges in the statement of revenues, expenses, and changes in fund net position.

During the years ended June 30, 2025 and 2024, 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 12 for current update.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(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 are payable March 1st and interest only is payable September 1st of each year, commencing March 1, 2020.

The following is a summary of bonds payable transactions for the years ended June 30, 2025 and 2024:

Description	Balance 06/30/2024	Additions	Reductions	Balance 06/30/2025	Due Within One Year
2020A	\$ 2,010,000	\$ -	\$ (180,000)	\$ 1,830,000	\$ 185,000
2020B	2,925,000	-	(260,000)	2,665,000	265,000
2020C	5,705,000	-	(315,000)	5,390,000	325,000
2022	<u>6,460,000</u>	<u>-</u>	<u>(260,000)</u>	<u>6,200,000</u>	<u>270,000</u>
	<u>\$ 17,100,000</u>	<u>\$ -</u>	<u>\$ (1,015,000)</u>	<u>\$ 16,085,000</u>	<u>\$ 1,045,000</u>

Description	Balance 06/30/2023	Additions	Reductions	Balance 06/30/2024	Due Within One Year
2020A	\$ 2,185,000	\$ -	\$ (175,000)	\$ 2,010,000	\$ 180,000
2020B	3,180,000	-	(255,000)	2,925,000	260,000
2020C	6,015,000	-	(310,000)	5,705,000	315,000
2022	<u>6,710,000</u>	<u>-</u>	<u>(250,000)</u>	<u>6,460,000</u>	<u>260,000</u>
	<u>\$ 18,090,000</u>	<u>\$ -</u>	<u>\$ (990,000)</u>	<u>\$ 17,100,000</u>	<u>\$ 1,015,000</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(5) GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable (Continued)

The annual principal and interest payments on the loans outstanding at June 30, 2025 are scheduled to occur as follows:

<u>Year Ended</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	\$ 1,045,000	\$ 476,451	\$ 1,521,451
2027	1,080,000	447,195	1,527,195
2028	1,105,000	416,948	1,521,948
2029	1,140,000	385,962	1,525,962
2030	1,170,000	353,985	1,523,985
2031-2035	5,785,000	1,258,101	7,043,101
2036-2040	3,815,000	522,000	4,337,000
2041-2043	<u>945,000</u>	<u>52,440</u>	<u>997,440</u>
	<u>\$ 16,085,000</u>	<u>\$ 3,913,082</u>	<u>\$ 19,998,082</u>

Interest expense paid on the loans during the years ended June 30, 2025 and 2024, was \$504,838 and \$524,316, respectively.

Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, the District recognizes a liability for compensated absences when the leave is attributable to services already rendered and it is probable that the leave will be used or paid. Compensated absences include vacation leave, sick leave, and other paid time off (PTO), which are earned by employees based on services already performed.

Under the provisions of GASB 101:

- Vacation and sick leave is accrued as earned and reported as a liability.
- All leave are accrued only to the extent that it is more likely than not the leave will result in a termination payment or will be used in a future reporting period.
- The liability is calculated using the pay rates in effect at the end of the reporting period and includes applicable salary-related payments

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(5) GENERAL LONG-TERM OBLIGATIONS (CONTINUED)

Compensated Absences (Continued)

The following is a summary of changes in compensated absences for the years ended June 30, 2025 and 2024:

	Balance 06/30/2024	Additions	Reductions	Balance 06/30/2025	Due Within One Year
Compensated absences	\$ 453,721	\$ -	\$ (63,324)	\$ 390,397	\$ 39,040

	Balance 06/30/2023	Additions	Reductions	Balance 06/30/2024	Due Within One Year
Compensated absences	\$ 436,250	\$ 17,471	\$ -	\$ 453,721	\$ 45,372

(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, 2025 and 2024.

	2025	2024
Active employees	27	29
Retired employees	5	4
	<u>32</u>	<u>33</u>

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). LA R.S. 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 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 Annual Comprehensive Financial Report (ACFR).

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 LA R.S. 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.

Employee premiums for these benefits totaled \$18,374 and \$16,274 for the years ended June 30, 2025 and 2024 respectively. Employer contributions to the OPEB Plan from the District were \$55,726 and \$49,289 for the years ended June 30, 2025 and 2024, 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:

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

The District paid approximately 50% of health care premiums for all retirees.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions (Continued)

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, 2025 and 2024, the District reported a total OPEB liability of \$2,231,003 and \$2,113,334, respectively. The total OPEB liability was measured as of July 1, 2024 and was determined by an actuarial valuation as of that date.

For the years ended June 30, 2025 and 2024, the District recognized OPEB benefit of \$48,655 and \$116,496, respectively. As of June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2025</u>		<u>2024</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Changes in assumptions	\$ 262,030	\$ 381,846	\$ 195,433	\$ 593,983
Difference between expected and actual experience	14,061	359,792	47,390	316,505
Employer contributions subsequent to the measurement date	55,726	-	49,289	-
Total	<u>\$ 331,817</u>	<u>\$ 741,638</u>	<u>\$ 292,112</u>	<u>\$ 910,488</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of \$55,726 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. 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
2026	\$ (239,019)
2027	(240,681)
2028	14,323
2029	(170)
	<u>\$ (465,547)</u>

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 or 1% higher than the current discount rate:

		3.93%	
	2.93%	Current	4.93%
2025	1% Decrease	Discount Rate	1% Increase
District's total OPEB liability	<u>\$ 2,690,167</u>	<u>\$ 2,231,003</u>	<u>\$ 1,872,479</u>
		4.13%	
	3.13%	Current	5.13%
2024	1% Decrease	Discount Rate	1% Increase
District's total OPEB liability	<u>\$ 2,559,374</u>	<u>\$ 2,113,334</u>	<u>\$ 1,768,631</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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:

		7.50%	
	6.50%	Current	8.50%
2025	1% Decrease	Trend Rate	1% Increase
District's total OPEB liability	\$ 1,838,989	\$ 2,231,003	\$ 2,747,212

		7.00%	
	6.00%	Current	8.00%
2024	1% Decrease	Trend Rate	1% Increase
District's total OPEB liability	\$ 1,746,887	\$ 2,113,334	\$ 2,595,112

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal, level percentage of pay
Expected Remaining Service Lives	4.50 years
Inflation Rate	Consumer Price Index (CPI) 2.40%
Salary Increase Rate	Consistent with state's June 30 2024 pension actuarial valuation
Discount Rate	3.93% based on the Bond Buyer 20 Index rate as of June 30, 2024
Mortality Rates	For general active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.
	For general healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.
	For general disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(6) OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Healthcare Cost Trend Rates	8.5% for pre-Medicare eligible employees grading down by .25% each year, beginning in 2024, to an ultimate rate of 4.5% in 2035; 7.50% for post-Medicare eligible employees grading down by .25% each year, beginning in 2023-2024, to an ultimate rate of 4.5% in 2035 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.
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The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. 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.

Payables to the OPEB Plan

As of June 30, 2025 and 2024, the District reported no payables for outstanding contributions to the OPEB plan required for the year then ended, respectively.

(7) PENSION PLAN

Plan Descriptions

Employees of the District 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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (CONTINUED)

Benefits Provided

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.

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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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 .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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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.

Contributions

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, 2025 and 2024 was 41.3% and 40.40% of annual covered payroll, respectively. The District's contributions paid to LASERS for the years ended June 30, 2025 and 2024 were \$505,359 and \$515,908, respectively.

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

At June 30, 2025 and 2024, the District reported a liability for its participation in LASERS of \$3,069,167 and \$3,780,170, respectively, for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2024 and 2023 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 pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2024 measurement date, the District's proportion in LASERS was 0.056437%, which was a decrease of 0.000038% from its proportion measured at June 30, 2023.

For the years ended June 30, 2025 and 2024, the District recognized pension expense of \$62,220 and \$398,456 for its participation in LASERS.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (CONTINUED)

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

At June 30, 2025, 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	\$ -	\$ 13,574
Changes of assumptions	21,453	-
Net difference between projected and actual earnings on pension plan investments	-	365,934
Changes in proportion between employer contributions and proportionate share of contributions	-	3,906
Employer contributions subsequent to the measurement date	495,949	-
	<u>\$ 517,402</u>	<u>\$ 383,414</u>

At June 30, 2024, 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	\$ 81,830	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	21,610	-
Changes in proportion between employer contributions and proportionate share of contributions	10,223	263,505
Employer contributions subsequent to the measurement date	534,693	-
	<u>\$ 648,356</u>	<u>\$ 263,505</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (CONTINUED)

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

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for LASERS of \$495,949 will be recognized as a reduction of the net pension liability during the year ended June 30, 2026. 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	Amount
2026	\$ (223,961)
2027	94,548
2028	(141,036)
2029	(91,511)
	<u>\$ (361,960)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation for LASERS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	2.6% - 13.8%
Investment Rate of Return	7.25%, net of investment expenses
Dates of Experience Study	2014 - 2018
Mortality Rates	RP-2014 Healthy Annuitant Tables projected to 2018 RP-2000 Disabled Tables with no projection

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rates of return on pension plan investments of 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 expected real rates of return of LASERS for each major asset class as of the June 30, 2024 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0%	0.76%
Domestic equity	34%	4.29%
International equity	17%	5.22%
Domestic fixed income	3%	2.04%
International fixed income	19%	5.24%
Alternative investments	27%	8.19%
Total	100%	5.61%

Discount Rate

The discount rate used to measure the total pension liability of LASERS was 7.25%. 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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(7) PENSION PLAN (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 LASERS as of June 30, 2025 and 2024 using the current discount rate of 7.25% and 7.25%, 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 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
<u>2025</u>				
Louisiana State Employees' Retirement System	\$	<u>4,238,439</u>	<u>\$ 3,069,167</u>	<u>\$ 2,075,555</u>
		1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
<u>2024</u>				
Louisiana State Employees' Retirement System	\$	<u>4,949,821</u>	<u>\$ 3,780,170</u>	<u>\$ 2,789,229</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan fiduciary net position is available in the separately issued financial report for LASERS.

(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. Total rents amounted to \$6,416,197 and \$6,306,399 for the years ended June 30, 2025 and 2024, respectively, including \$874,114 and \$949,331 of interest on long-term leases. The District reports lease receivables on leases that convey control to the use of the District's nonfinancial assets and exist for a maximum term of greater than 12 months. The lease receivables are recognized at the commencement of the lease term at the present value of the lease payments expected to be received during the lease period. Management has determined that a discount rate of 3.68% applies broadly to its leases. Lease payments are subject to CPI and fair market value adjustments, depending on the term of the lease and tenant renewal options. These variable payments are reflected in the lease receivable value when remeasurement occurs.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(8) LEASE REVENUES (CONTINUED)

Future minimum payments to be received under these leases as of June 30, 2025 are as follows:

	Present Value of Payments	Interest	Future Minimum Payments
2026	\$ 2,842,116	\$ 797,665	\$ 3,639,781
2027	2,809,512	693,646	3,503,158
2028	2,915,245	587,914	3,503,159
2029	3,024,958	478,202	3,503,160
2030	2,996,511	366,293	3,362,804
2031 - 2035	3,912,243	1,044,911	4,957,154
2036 - 2040	2,370,848	599,152	2,970,000
2041 - 2045	<u>1,997,019</u>	<u>140,481</u>	<u>2,137,500</u>
	<u>\$ 22,868,452</u>	<u>\$ 4,708,264</u>	<u>\$ 27,576,716</u>

The carrying value of leased property as of June 30, 2025 and 2024 was as follows:

2025	Cost	Accumulated Depreciation	Carrying Value
Land	\$ 14,541,452	\$ -	\$ 14,541,452
Dock and barge facilities	130,768,373	(59,804,754)	70,963,619
Buildings and improvements	<u>48,145,812</u>	<u>(31,491,863)</u>	<u>16,653,949</u>
	<u>\$ 193,455,637</u>	<u>\$ (91,296,617)</u>	<u>\$ 102,159,020</u>
2024	Cost	Accumulated Depreciation	Carrying Value
Land	\$ 14,541,452	\$ -	\$ 14,541,452
Dock and barge facilities	84,710,180	(56,352,117)	28,358,063
Buildings and improvements	<u>47,197,207</u>	<u>(30,007,559)</u>	<u>17,189,648</u>
	<u>\$ 146,448,839</u>	<u>\$ (86,359,676)</u>	<u>\$ 60,089,163</u>

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(9) 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 2025 levy was based was \$516,035,620 with homestead exemptions of \$214,813,733. The assessed value upon which the 2024 levy was based was \$515,627,978 with homestead exemptions of \$214,840,638.

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 \$3.73 per \$1,000 for the 2025 and 2024 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 2025 and 2024 were 99.75% and 99.85%, 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 2025 and 2024 were \$52,791 and \$53,368, respectively.

(10) LEASE EXPENSE

The District leases various equipment and property for use in its operations. The District reports lease assets on assets that convey control to the use of the District's nonfinancial assets and exist for a maximum term of greater than 12 months. The lease assets are recognized at the commencement of the lease at the present value of the lease payments expected to be paid during the lease period. Management has determined that a discount rate of 3.68% applies broadly to its leases. Lease payments are subject to CPI and fair market value adjustment, depending on the term of the lease and tenant renewal options. These variable payments are reflected in the lease liability when remeasurement occurs. Total lease assets net of accumulated amortization amounted to \$354,441 and \$231,577 at June 30, 2025 and 2024, respectively.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(10) LEASE EXPENSE (CONTINUED)

Estimated future minimum lease payments as of June 30, 2025 are as follows:

	<u>Present Value of Payments</u>	<u>Interest</u>	<u>Future Minimum Payments</u>
2026	\$ 127,463	\$ 36,975	\$ 164,438
2027	137,029	32,125	169,154
2028	130,483	27,014	157,497
2029	75,912	23,304	99,216
2030	78,753	20,463	99,216
2031-2035	461,621	54,331	515,952
2036-2040	<u>51,538</u>	<u>555</u>	<u>52,093</u>
	<u>\$ 1,062,799</u>	<u>\$ 194,767</u>	<u>\$ 1,257,566</u>

(11) 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 LA R.S. 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 \$23,000 and \$23,000 for the years ended June 30, 2025 and 2024, respectively.

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

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

Contributions to the Plan by employees totaled \$106,910 and \$108,010 for the years ended June 30, 2025 and 2024, respectively. Contributions to the Plan by the District totaled \$43,161 and \$45,120 for the years ended June 30, 2025 and 2024, respectively.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(12) COMMITMENTS AND CONTINGENCIES

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). 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.

As part of the Fourth Amendment to the agreement, because the District has not yet obtained a consent to assignment from the landlord under the Meraux lease as provided in the Second Amendment, the parties agreed to, among other assignments, to reduce the Non-VDP Property and Development Payment from \$8,000,000 to \$7,000,000 and to provide for a Third Closing at which the Board will make the \$1,000,000 Assignment Payment and the District will convey its rights and interests under the Meraux lease to the Board. As part of the Second Closing, the District purchased from the Board 26 acres of land for the price of \$669,700, and this price was paid at the Second Closing by offset against the Non-VDP Property and Development Payment. The total payment of \$6,330,081 was made on January 19, 2023 and is recorded in the accompanying financial statements.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(12) COMMITMENTS AND CONTINGENCIES (CONTINUED)

Simultaneously, on the amendment effective date, the Board and the District executed a new lease in the form that has been approved by both Parties (the "New Lease") pursuant to which the Board leased to the District Berth 1 and Berth 2 of the VDP Property as shown on Exhibit "C" to the New Lease, together with the Violet Buoys (as defined in 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 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 (the "Notice of New Lease").

The District and AT have executed 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 have amended 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.

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.

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.

During the years ended June 30, 2025 and 2024, the District incurred \$142,780 and \$45,719 of legal expenses related to the expropriation, respectively.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(13) PUBLIC PRIVATE PARTNERSHIP

The District has contracted with a private party to operate a portion of its facilities. During the year ended June 30, 2024, construction of a parking facility was completed and placed in service effective July 1, 2023. Management has determined that this arrangement to construct and operate the parking facility qualifies as a public private partnership arrangement under GASB Statement No. 94, as the District retains ownership of the leased property while the tenant is responsible for the operation and maintenance of the property. 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 subject to depreciation based on existing policies for similar capital assets. The difference between the initial capital asset recognized and any associated liability, if any, is reported as a deferred inflow of resources and is recognized in income in a systematic and rational manner based on the terms of the arrangement.

During the year ended June 30, 2024, the operator completed improvements totaling \$1,219,097, which are recorded as capital assets in the accompanying financial statements as described in Note 4. Depreciation on these improvements totaled \$60,955 for the years ended June 30, 2025 and 2024. The District recognized a corresponding deferred inflow of resources, which is being amortized over the term of the arrangement.

(14) NEW ACCOUNTING PRONOUNCEMENTS - ADOPTED

The GASB has released Statement No. 101, *Compensated Absences* (Statement 101), which replaces GASB Statement No. 16, *Accounting for Compensated Absences*. Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under Statement 101, a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. Statement 101 also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. Statement 101 is effective for fiscal years beginning after December 15, 2023. This Statement did not cause a material impact to the District's financial statements upon implementation.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025 AND 2024

(15) NEW ACCOUNTING PRONOUNCEMENTS – NOT YET ADOPTED

The GASB has released Statement No. 103, *Financial Reporting Model Improvements* (Statement 103). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

The GASB has released Statement No. 104, *Disclosure of Certain Capital Assets* (Statement 104). The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for periods beginning after June 15, 2025. The District plans to adopt this Statement as applicable by the effective date.

(16) SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2025, which is the date the financial statements were available to be issued.

(17) PRIOR PERIOD RESTATEMENT

During the year ended June 30, 2025, management identified a miscalculation in the application of GASB Statement No. 87, *Leases*. The financial statements for the first three years of implementation understated lease revenue and net position due to not appropriately amortizing deferred inflows over the lease term. The effect of the change to the June 30, 2024 financial statements was to increase lease revenue by \$317,839, increase beginning net position by \$834,016, and decrease deferred inflows by \$1,151,855.

(18) RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on net position.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

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

<u>Fiscal</u> <u>Year*</u>	<u>District's</u> <u>Proportion</u> <u>of the Net</u> <u>Pension</u> <u>Liability</u>	<u>District's</u> <u>Proportionate</u> <u>Share of the</u> <u>Net Pension</u> <u>Liability</u>	<u>District's</u> <u>Covered</u> <u>Payroll</u>	<u>District's</u> <u>Proportionate Share</u> <u>of the Net Pension</u> <u>Liability as a % of</u> <u>of Covered</u> <u>Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position as</u> <u>a % of the</u> <u>Total Pension</u> <u>Liability</u>
<u>LASERS:</u>					
2025	0.0564%	\$ 3,069,167	\$ 1,294,656	237.06%	74.60%
2024	0.0565%	3,780,170	1,265,502	298.71%	68.40%
2023	0.0569%	4,301,417	1,293,917	332.43%	63.70%
2022	0.0678%	3,730,870	1,376,498	271.04%	72.80%
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%

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

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
FOR THE TEN YEARS ENDED JUNE 30

<u>Fiscal</u> <u>Year</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions</u> <u>in Relation to</u> <u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Employer's</u> <u>Covered</u> <u>Payroll</u>	<u>Contributions</u> <u>as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u>
<u>LASERS:</u>					
2025	\$ 545,336	\$ 545,336	\$ -	\$ 1,427,602	38.20%
2024	534,693	534,693	-	1,294,656	41.30%
2023	511,263	511,263	-	1,265,503	40.40%
2022	511,097	511,097	-	1,293,917	39.50%
2021	551,975	551,975	-	1,376,498	40.10%
2020	528,868	528,868	-	1,299,429	40.70%
2019	469,212	469,212	-	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%

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF THE CHANGES IN THE OPEB LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30

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
2025	\$ 2,113,334	\$ 65,243	\$ 89,244	\$ (196,839)	\$ 195,816	\$ (35,795)	\$ 2,231,003
2024	1,926,108	55,255	80,318	(6,632)	93,853	(35,568)	2,113,334
2023	3,341,010	119,874	74,821	(533,580)	(1,018,256)	(57,761)	1,926,108
2022	2,832,060	92,384	77,019	84,365	313,569	(58,387)	3,341,010
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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
FOR THE EIGHT YEARS ENDED JUNE 30

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
2025	\$ 35,795	\$ 55,726	\$ (19,931)	\$ 1,427,602	3.90%	156.28%
2024	36,507	49,289	(12,782)	1,294,656	3.81%	163.24%
2023	34,823	51,568	(16,745)	1,265,502	4.07%	152.20%
2022	57,133	56,800	333	1,293,917	4.39%	258.21%
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.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025 AND 2024

(1) PENSION PLAN SCHEDULES

Change of Benefit Terms

For the valuation year ended June 30, 2017, there was a 1.5% cost of living increase effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session and added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

For the valuation year ended June 30, 2016, there was a 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and, improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

There were no changes in benefit terms during any other years presented.

Changes of Assumptions

For the valuation year ended June 30, 2024, the inflation rate increased from 2.3% to 2.4%.

For the valuation year ended June 30, 2022, the investment rate of return was decreased from 7.60% to 7.25%. The inflation rate was also decreased from 2.5% to 2.3%.

For the valuation year ended June 30, 2021, the investment rate of return was increased from 7.55% to 7.60%. The inflation rate was also increased from 2.3% to 2.5%.

For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%. The inflation rate was also decreased from 2.5% to 2.3%. The remaining expected service lives assumption was reduced from 3 years to 2 years.

During the year ended June 30, 2019, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.4% – 14.3% to 3.2% – 14.0%.

During the year ended June 30, 2018, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.70% to 7.65%.

During the year ended June 30, 2017, the LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.75% to 7.70%. LASERS lowered its inflation rate assumption from 3.0% to 2.75%. Additionally, LASERS adjusted the ranges of its salary increase assumptions from 3.6% – 14.5% to 3.4% – 14.3%.

There were no changes in assumptions during any other years presented.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025 AND 2024

(2) OPEB SCHEDULE

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement 75 to pay related benefits.

Change of Benefit Terms

There were no changes in benefit terms for the valuation dates presented.

Changes of Assumptions

For the July 1, 2024 valuation, the discount rate changed from 4.13% to 3.93%. Baseline per capita costs and medical plan election percentages were updated to reflect 2024 claims and enrollment.

For the July 1, 2023 valuation, the discount rate changed from 4.09% to 4.13%. Baseline per capita costs were updated to reflect 2023 claims and enrollment.

For the July 1, 2022 valuation, the discount rate changed from 2.18% to 4.09%. Baseline per capita costs were updated to reflect 2022 claims and enrollment. Medical plan election percentages were updated based on the coverage elections of recent retirees.

For the July 1, 2021 valuation, the discount rate changed from 2.66% to 2.18%. Baseline per capita costs were updated to reflect 2021 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2022 premiums. 2021 medical claims and enrollment experience were reviewed but not included in the projection of expected 2022 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

For the July 1, 2020 valuation, the discount rate changed from 2.79% to 2.66%. Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, the actuary does not believe this experience is reflective of what can be expected in future years. The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

For the July 1, 2019 valuation, the discount rate was adjusted to 2.79%. Additionally, per capita costs and premiums were updated, certain demographic assumptions were revised, high cost excise tax was removed, and life insurance contributions were adjusted.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025 AND 2024

(2) OPEB SCHEDULE (CONTINUED)

For the July 1, 2018 valuation, the discount rate has decreased from 3.13% to 2.98%. 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. Demographic assumptions were revised for the Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana to reflect recent experience studies. 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 percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

There were no changes in assumption for the July 1, 2017 valuation.

OTHER SUPPLEMENTARY INFORMATION

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Executive Director: Drew Heaphy

	<u>2025</u>	<u>2024</u>
Salary	\$ 232,564	\$ 222,696
Benefits - insurance	23,424	22,992
Benefits - retirement (State Deferred Compensation Plan)	16,146	15,900
Vehicle provided by government	12,300	12,300
Per diem	284	593
Reimbursements	3,685	18,033
Travel	5,549	9,889
Membership dues	1,120	2,340
Registration fees	4,345	4,265
Cell phone allowance	<u>960</u>	<u>960</u>
 Total compensation, benefits, and other payments	 <u><u>\$ 300,377</u></u>	 <u><u>\$ 309,968</u></u>

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



**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***

To the Board of Commissioners of
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, *Louisiana Government Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of St. Bernard Port, Harbor and Terminal District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements and have issued our report thereon December 5, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned cost as item 2025-002 that we consider to be a material weakness.



To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana
December 5, 2025

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

St. Bernard Port, Harbor and Terminal District's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the boards of commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana
December 5, 2025

Other Matter – Revised Schedule of Expenditures of Federal Awards

We previously issued our report dated December 5, 2025 on internal control over financial reporting and on compliance and other matters based on our audit of the financial statements of the District as of and for the year ended June 30, 2025. Subsequent to the issuance of that report, the Schedule of Expenditures of Federal Awards was revised. The revision resulted in the identification of a material weakness in internal control over financial reporting, as described in the Internal Control over Financial Reporting section of this report and in finding 2025-002 in the accompanying schedule of findings and questioned costs. Accordingly, we have reissued and dual-dated this report. Our procedures performed after December 5, 2025 were limited to the revised Schedule of Expenditures of Federal Awards and the related material weakness.

December 5, 2025, except for the material weakness
described in the Internal Control over Financial
Reporting section and finding 2025-002, as to which
the date is August 28, 2026
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

SINGLE AUDIT SECTION



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Bernard Port, Harbor and Terminal District's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.



To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana
December 5, 2025

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana
December 5, 2025

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



To the Board of Commissioners of
St. Bernard Port, Harbor and Terminal District
Chalmette, Louisiana
December 5, 2025

Other Matter

This report replaces our previously issued report dated December 5, 2025. Subsequent to the issuance of that report, it was determined that Highway Planning and Construction (Assistance Listing No. 20.205) was required to be audited as a major program. Accordingly, we performed additional audit procedures related to that program and have reissued this report to include Highway Planning and Construction as a major program. The additional procedures did not result in changes to the opinions previously expressed on the major programs included in our previously issued report.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

December 5, 2025, except for our report on the Schedule
of Expenditures of Federal Awards, as to which the date is
August 28, 2026
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Federal Disbursements/ Expenditures
<u>Department of Homeland Security</u>		
<i>Pass-through from the State of Louisiana</i>		
Port Security Grant Program	97.056	\$ 1,743,732
Disaster Grants - Public Assistance	97.036	<u>245,287</u>
Total Department of Homeland Security		<u>1,989,019</u>
<u>Department of Transportation</u>		
<i>Pass-through from the State of Louisiana</i>		
Highway Planning and Construction	20.205	<u>1,272,782</u>
Total Department of Transportation		<u>1,272,782</u>
Total Federal Assistance Expended		<u><u>\$ 3,261,801</u></u>

(See Independent Auditors' Report)

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the St. Bernard Port, Harbor and Terminal District under programs of the federal government for the year ended June 30, 2025. The information in the 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). Because the schedule presents only a selected portion of the operations of the St. Bernard Port, Harbor and Terminal District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the St. Bernard Port, Harbor and Terminal District.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 end of the year.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2025.

(3) INDIRECT COST RATE

The St. Bernard Port, Harbor and Terminal District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of St. Bernard Port, Harbor and Terminal District (the District).
2. No significant deficiencies but one material weakness in internal control relating to the audit of the financial statements are reported in the 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*.
3. One instance of noncompliance material to the financial statements of the District was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the District expresses an unmodified opinion.
6. There was no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. A management letter was not issued for the year ended June 30, 2025.
8. The programs tested as major program were:

	<u>AL#</u>
Port Security Grant Program	97.056
Highway Planning and Construction	20.205
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. The District was determined to be a low-risk auditee.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Noncompliance

Finding 2025-001 Noncompliance with Fiscal Agency and Cash Management Laws

Criteria: Louisiana Revised Statute 39:1221 (LA RS 39:1221) requires that local depositing authorities shall obtain additional security for deposits in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

Condition: Deposits were exposed to credit risk due to inadequate collateralization of bank deposits in excess of FDIC coverage.

Cause: Lack of controls or procedures to ensure that all depository institutions in which the District's funds are held are providing additional security for deposits in excess of FDIC coverage.

Effect: Public funds were exposed to credit risk.

Recommendation: We recommend implementing controls or procedures to ensure that all depository institutions in which the District's funds are held are provided additional security for deposits in excess of FDIC coverage.

Management's Response: The District spoke with a representative at the depository institution and as of October 31, 2025, the District has been provided with additional security for deposit in excess of FDIC coverage and will be receiving monthly collateral statements to ensure adherence to LA RS 39:1221 going forward.

Material Weakness

Finding 2025-002 Improper SEFA Preparation

Criteria: The District is responsible for preparing a complete and accurate SEFA in accordance with the Uniform Guidance. The SEFA should include all federal awards expended during the fiscal year and should be supported by procedures that ensure federal award activity is properly identified, accumulated, reviewed, and reported.

Condition: A material amount of expenditures was identified as being federally funded through the Louisiana DOTD. Previously, these dollars were identified as being 100% state funded.

Effect: The District's expenditures were understated which could have impaired proper major program determination for testing and caused a misstatement of the SEFA.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS
(CONTINUED)

Material Weakness (Continued)

Cause: The District's controls over the preparation and review of the SEFA did not operate effectively to ensure that all federal programs expended during the year were identified and included.

Recommendation: We recommend that management strengthen its year-end SEFA preparation and review procedures to ensure that all federal awards expended during the fiscal year are identified and included. These procedures should include reconciling the SEFA to the general ledger and grant records, reviewing grant agreements and award documentation, and obtaining an independent review of the completed SEFA by an individual with appropriate knowledge of Uniform Guidance reporting requirements.

Views of Responsible Officials: Management agrees with the finding and will implement controls to ensure all awards are included, as well as correct going forward. See Management's Corrective Action Plan for further details.

**SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR
FEDERAL AWARD PROGRAMS**

No findings related to major federal award programs for the year ended June 30, 2025.

ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2024.

**SECTION I - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR
FEDERAL AWARD PROGRAMS**

There were no findings related to major federal award programs for the year ended June 30, 2024.

SECTION II - MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2024.



ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT

P.O.Box 1331, Chalmette, Louisiana 70044-1331

Telephone (504) 277-8418

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Drew M. Heaphy
Executive Director

Ross B. Gonzales, CPA
Chief Operating Officer

J. Ted Roche, III
Director of Operations

Board of Commissioners

Larry M. Aisola, Jr.
Thomas B. Ajubita
Walter J. Cure, IV
David L. Kenney, Jr.

August 28, 2026

Louisiana Legislative Auditor

St. Bernard Port, Harbor and Terminal District respectfully submits the following corrective action plan for the year ended June 30, 2025.

Name and address of independent public accounting firm:

Ericksen Krentel L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: July 1, 2024 – June 30, 2025

The findings from the June 30, 2025 schedule of findings and questioned costs (schedule) is discussed below. The findings are numbered consistently with the number assigned in the schedule.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Noncompliance

Finding 2025-001 Noncompliance with Fiscal Agency and Cash Management Laws

Recommendation: We recommend implementing controls or procedures to ensure that all depository institutions in which the District's funds are held are provided additional security for deposits in excess of FDIC coverage.

Management's Response: The District spoke with a representative at the depository institution and as of October 31, 2025, the District has been provided with additional security for deposit in excess of FDIC coverage and will be receiving monthly collateral statements to ensure adherence to LA RS 39:1221 going forward.

Material Weakness

2025-002 Improper SEFA Preparation

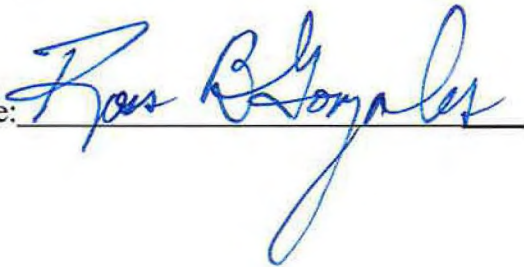
Recommendation: We recommend that management should strengthen its year-end SEFA preparation and review procedures to ensure that all federal awards expended during the fiscal year are identified and included. These procedures should include reconciling the SEFA to the general ledger and grant records, reviewing grant agreements and award documentation, and obtaining an independent review of the completed SEFA by an individual with appropriate knowledge of Uniform Guidance reporting requirements.

Management's Response: St. Bernard Port will strengthen its year-end SEFA preparation and review processes and procedures to ensure that all federal awards expended during each fiscal year are properly identified and included in the SEFA. These procedures will include reconciling the general ledger expenditures of federal funding to the SEFA and the associated grant records, review of supporting grant award agreements and documentation. Further, management will review the completed SEFA prior to submission to the auditors.

If there are any questions regarding this plan, please contact Drew Heaphy, Executive Director, 100 Port Blvd. 3rd Floor, Chalmette, Louisiana 70043.

Sincerely,

Signature:



Title: Chief Operating Officer